Foreign
Broadcast
Information
Service
50
ANNIVERSARY
1941 - 1991

Daily Report

Soviet Union

FBIS-SOV-91-214
Tuesday
5 November 1991

Daily Report
Soviet Union

FBIS-SOV-91-214 CONTENTS *5 November 1991*

NOTICE TO READERS: An * indicates material not disseminated in electronic form.

NOTICE TO READERS: The United States Government recognizes the independence of Estonia, Latvia, and Lithuania.

INTERNATIONAL AFFAIRS

Arms Control & Disarmament

Talks on Armed Forces in Europe Open in Vienna *[TASS]* 1
Solton Comments on 'New Stage in Disarmament' *[Moscow International]* 1

Worldwide Issues

World Bank President Arrives for 3-Day Visit *[Radio Rossii]* 1
  Gorbachev Signs Agreement *[Radio Rossii]* 2
Pankin Comments on Madrid Conference Plans *[TASS]* 2
Results of Madrid Conference Talks Assessed 2
  TASS Observer Remarks *[TASS]* 2
  Pogodin Commentary *[Moscow International]* 3
'Open Skies' Meeting Resumes in Vienna 4 Nov *[TASS]* 3
Former Comecon Members Found New Organizations *[INTERFAX]* 3

United States & Canada

Gorbachev Meets U.S. Protestants *[TASS]* 5
KGB General Meets U.S. Religious Figures *[IZVESTIYA 1 Nov]* 5
U.S. Commerce Official Cited on Aid *[IZVESTIYA 4 Nov]* 5
Canada Grants $500 Million Credit for Grain *[TASS]* 6

Northeast Asia

Japanese Envoy Calls For Return of Islands *[KYODO]* 6
Japanese Delegation Views Economic Relations *[TASS]* 6
PRAVDA Cites Japanese Poll on Aid *[30 Oct]* 7
Rogachev Meets With DPRK Ambassador *[TASS]* 7
Defense Minister Receives ROK Officials *[KRASNAYA ZVEZDA 29 Oct]* 8
IZVESTIYA Denies 'Disinformation' on KAL *[29 Oct]* 8

Sub-Saharan Africa

RSA Botha's Visit Welcomed; Ties Urged *[IZVESTIYA 2 Nov]* 10
South African Diamond Firm To Enhance Ties *[PRAVDA 31 Oct]* 10

East Europe

Country May Halt Oil Supplies to Yugoslavia *[INTERFAX]* 11
Serbia Appeals For Aid To Halt 'Genocide' *[TASS]* 11
Serbian Opposition Delegation Visits Moscow *[INTERFAX]* 11
Army Withdrawal From Poland 'More Difficult' *[Moscow TV]* 11

West Europe

Lisbon Envoy Warns of Possible Winter Coups *[Lisbon Radio]* 12
Gorbachev Reportedly Casts Off Honecker *[Hamburg BILD 4 Nov]* 12

German Minister on Honecker Extradition *[TASS]* 12
Italian Terrorists 'Never Funded' by CPSU *[TASS]* 12
Military Team in UK for Joint Inspection *[KRASNAYA ZVEZDA 31 Oct]* 13
Commentary Examines Building of 'New Europe' *[Moscow International]* 13
New Friendship Treaty With Finland Viewed *[TASS]* 13
'Lost' Relations With Finland Examined *[IZVESTIYA 24 Oct]* 14
Sweden Refuses Entry to Diplomat *[KOMSOMOLSKAYA PRAVDA 1 Nov]* 16

Latin America & Caribbean

Castro, Other Leaders Meet in Cozumel *[PRAVDA 24 Oct]* 16

NATIONAL AFFAIRS

Political & Social

Further Reportage on State Council Proceedings 18
  Leaders Attend Meeting *[INTERFAX]* 18
  Gorbachev: 'Limited Time for Action' *[Moscow TV]* 18
  Economic Community Accord Discussed *[Moscow Radio]* 19
  Yavlinskiy, Fokin, Karimov Speak *[Radio Rossii]* 19
  Yavlinskiy Warns of Complications *[TASS]* 20
  Silayev Reports on IEC Structure *[TASS]* 20
  Economic Committee Status Approved *[INTERFAX]* 20
  Agreement on Unified Armed Forces *[Radio Rossii]* 21
  Interior Ministry Reform Approved *[INTERFAX]* 21
  Baktin, Others Confirmed *[Radio Rossii]* 21
  Foreign Ministry To Be Reduced *[AFP]* 21
Grachev Gives Briefing on State Council Meet *[TASS]* 21
  More on Grachev Briefing *[TASS]* 22
Yavlinskiy Interviewed on Economic Treaty *[INTERFAX]* 22
Structure, Effects of Economic Committee Viewed *[IZVESTIYA 4 Nov]* 22
Gorbachev: Foreign Ministry Cuts 'Unrealistic' *[Russian TV]* 23
GRU Captain Comments on Pankin's Remarks *[INTERFAX]* 23
Pankin Views Reform of Diplomatic Service *[TASS]* 23
  Pankin on Secret Servicemen *[INTERFAX]* 24
Pankin Presides Over Foreign Affairs Meeting *[TASS]* 24
  Further on Discussion *[Moscow TV]* 25
Foreign Ministry Staff Urge Agreement, Panel *[IZVESTIYA 4 Nov]* 25
'Shock' at Possible Foreign Ministry Demise *[IZVESTIYA 2 Nov]* 25
Yakovlev Comments on Executive Power Tasks *[TASS]* 26
KGB Official Interviewed on Russian KGB 27
  IZVESTIYA Interview *[1 Nov]* 27
  ROSSIYSKAYA GAZETA Interview *[2 Nov]* 27
Controls on Surveillance, Tapping Increased *[IZVESTIYA 31 Oct]* 28
Republican Leaders To Discuss Foreign Debt *[TASS]* 29
Official on Importance of Paying National Debt *[INTERFAX]* 29
TASS Carries Press Review for 4 Nov 29
  For Evening of 4 Nov 30
TASS Carries Press Review for 5 Nov 30

Economic

Tax Ceiling on Enterprise Profits Proposed *[Radio Rossii]* 31
Yavlinskiy Forecasts Stability in 18 Months *[TASS]* 32
Further on Reaction to Price Liberalization 32
  Weekly Predicts Price Increases *[TASS]* 32
  No 'Recipe for Survival' *[PRAVDA 30 Oct]* 32
  Rich-Poor Division To Accelerate *[Moscow TV]* 33
  Official Predicts Hyperinflation *[KRASNAYA ZVEZDA 2 Nov]* 33
Silayev Meets Metallurgical Representatives *[TASS]* 33

Agriculture

Statistics Indicate Famine Not 'Inevitable' *[KOMSOMOLSKAYA PRAVDA 30 Oct]* 34
Grain, Vegetable Harvest Figures Decrease *[TASS]* 35
Agricultural Production Profitibility Declines *[INTERFAX]* 35
Agricultural Developments for 27 Oct-1 Nov *[Moscow International, etc.]* 35

Scientific

Gorbachev Orders Space Facility Investigated *[Moscow International]* 36
Space Authorities Deny Rumored U.S. Deal *[KOMSOMOLSKAYA PRAVDA 2 Nov]* 36
'Instability' Causes Brazil To Drop Contract *[Radio Rossii]* 36
Mir Cosmonauts Study Space for Distant X-Rays *[TASS]* 36

Military

Far East Commander Says Divisions To Be Cut *[Radio Rossii]* 36
Defense Ministry Aide on Recruitment Changes *[KRASNAYA ZVEZDA 26 Oct]* 37
Law on Amnesty for Army Deserters Published *[Russian TV]* 37

BALTIC COUNTRIES

Estonia

Savisaar Discusses Results of U.S. Visit *[Tallinn Radio]* 38
Reports of Paratroop Unit Withdrawal Questioned *[Tallinn Radio]* 38
    Savisaar Fails To Give Answers *[BALTFAX]* 38
Republic News Conference on Visa Controls Held *[Tallinn Radio]* 38
Republic Draft Conditions Established *[PRAVDA 30 Oct]* 39

Latvia

Godmanis Says Russia Not Failing To Supply Oil *[Riga International]* 39
Opposition Protests Political Prisoners *[TASS]* 39
    Rubiks Issues Statement *[KOMSOMOLSKAYA PRAVDA 31 Oct]* 40
Prison Inmates on Hunger Strike; Set Demands *[ROSSIYSKAYA GAZETA 1 Nov]* 40

Lithuania

Deputy Chairman Stankevicius' Activities Noted 40
    U.S. Visit 'Exceptionally Useful' *[Radio Vilnius]* 40
    U.S. To Give Aid After Economic Analysis *[BALTFAX]* 41
    Shevardnadze Meeting 'Unofficial' *[Radio Vilnius]* 41
    Problems at Shevardnadze Talks Noted *[TASS]* 41
Border Protocol With Poland Discussed *[BALTFAX]* 42
Landsbergis Meets European Parliament Delegation *[Radio Vilnius]* 42
Official Remarks on Economic Issues With Russia *[BALTFAX]* 42
Economic Ties With Russia Discussed *[Vilnius International]* 42
Sajudis Statement on Election of President *[Vilnius International]* 44
Groups To Meet USSR, Republics on Economy *[BALTFAX]* 44
USSR Asked To Return Paris Embassy *[Radio Vilnius]* 44

RSFSR

Fifth Congress of People's Deputies

Congress Ends With Report on Draft Constitution *[TASS]* 45
Filatov 'Satisfied' With Results of Congress *[INTERFAX]* 45
Deputies Appeal to Ex-Republics on Minorities *[INTERFAX]* 46
Comparison of Yeltsin Appeal For More Power *[IZVESTIYA 31 Oct]* 46

Federation Affairs

- Permission for Red Square 7 Nov March Denied *[TASS]* 46
- Trade Union Cancels Republic-Wide Strike *[INTERFAX]* 46
- Finance Minister on Banking Union, Banknotes *[Moscow TV]* 47
- Yeltsin Change on Bank Issues Criticized *[Radio Rossii]* 47
- Yeltsin Decree on State Customs Committee *[ROSSISKAYA GAZETA 1 Nov]* 47
- Yeltsin Prepares Draft Decree on 'Crisis' *[INTERFAX]* 48
- Enterprises To Participate in Foreign Markets *[INTERFAX]* 48
  - Further on Presidential Decree *[INTERFAX]* 48
  - Measures To 'Overhaul' Economy Noted *[TASS]* 49
- Economy Minister on State's Privatization *[INTERFAX]* 49
- Procurator General on Coup Investigation *[Moscow Radio]* 49
- Minister Wants 'State Interference' in Reforms *[ROSSIYSKAYA GAZETA 30 Oct]* 51
- Further Reportage on Yeltsin's Reform Plans 52
  - Filshin Cited on Price Policy *[IZVESTIYA 31 Oct]* 52
  - Ministry Aide on Price Liberalization *[SOVETSKAYA ROSSIYA 1 Nov]* 53
  - Burbulis on Economic Reforms *[Hamburg DER SPIEGEL 4 Nov]* 54
  - Economist Views Reform Program *[TASS]* 55
  - Rutskoy Calls For Support *[Moscow International]* 56
- Yeltsin Spokesman Rejects Report on Lobov *[TASS]* 56
- Yeltsin Meets With Russian Industrial Lobby *[IZVESTIYA 2 Nov]* 56
- Nevzorov Confirms Receiving KGB Information *[INTERFAX]* 57
- KGB Chairman Says Dec Revolt Possible *[TASS]* 57
- Ministry on CPSU 'Secret Financing' Abroad *[Russian TV]* 57
  - Procuracy Investigates Financing *[Radio Rossii]* 57
- Discussions Held on Nuclear Testing Moratorium *[Russian TV]* 57
- Yeltsin Representatives Hold Moscow Conference *[Radio Rossii]* 58
- Socialist Party Holds News Conference on Aims *[Russian TV]* 58
- Democratic Party Makes Claims Against Popov *[Radio Rossii]* 58

External Affairs

- Negotiations With Ukraine End; Agreement Signed *[Moscow TV]* 58
- Possibility of 'Nuclear Attack' on Ukraine *[RABOCHAYA TRIBUNA 25 Oct]* 59

International Affairs

- U.S. Defense Official Meets Vice President *[TASS]* 59
  - Comments on Military 'Conversion' *[INTERFAX]* 60
- Sakhalin Governor on Yeltsin 'No' on Kurils *[INTERFAX]* 60
- Yeltsin, Latvian President Discuss Relations *[Moscow TV]* 60
- Latvia To Pay Hard Currency for Petroleum Goods *[Moscow TV]* 60
- Estonia's Ruutel, Yeltsin Hold Talks in Kremlin *[BALTFAX]* 60
- Cypriot President Continues Working Visit *[TASS]* 61
- German, Russian Justice Ministers on Honecker *[TASS]* 61

WESTERN REPUBLICS

Moldova

- Snegur Criticizes Russian Pressure on Treaty *[AFP]* 62
- Snegur Recognizes Interrepublican Committee *[INTERFAX]* 62
- Crop Shipments 'Paralyzed' by Fuel Shortage *[ROSSIYSKAYA GAZETA 1 Nov]* 62
- Soviet Army Property To Be Nationalized *[INTERFAX]* 62
- Bank President on Introduction of New Currency *[Moscow Radio]* 62
  - Opposes Superstate Control *[Bucharest ROMPRES]* 63
- Gagauz Republic To Hold Presidential Elections *[INTERFAX]* 63
  - Citizens Refuse Military Decree *[INTERFAX]* 63
- Popular Front Supporters Hold Kishinev Meeting *[INTERFAX]* 63

Ukraine

- Declaration on Minority Rights Detailed *[IZVESTIYA 4 Nov]* 63
- Role of New Republic National Guard Described *[TASS]* 64
- Marchuk on Plans for National Armed Forces *[TASS]* 64
- Kravchuk Views Nuclear, Conversion Policies *[KRASNAYA ZVEZDA 26 Oct]* 64
- Donbass Miners Cite Poor Work Conditions, Wages *[IZVESTIYA 4 Nov]* 65
- Kravchuk Meets Officials of Major Enterprises *[Moscow Radio]* 65
- Presidential Candidate Lukyanenko Interviewed *[KOMSOMOLSKAYA PRAVDA 1 Nov]* 65
- Officers Union Holds Second Congress in Kiev 67
  - Delegates Approve Charter *[INTERFAX]* 67
  - New Officers' Association Noted *[ROSSIYSKAYA GAZETA 2 Nov]* 68

CAUCASUS

Armenia

- Ter-Petrosyan Interviewed on Turkish TV *[Ankara TV]* 69
- 'Turbulent' Supreme Soviet Session Noted *[Moscow Radio]* 70
- Officials Debate Fuel Problem, 'Energy Crisis' *[Yerevan International]* 70

Azerbaijan

- Republic Refuses To Pay USSR Foreign Debt *[Moscow TV]* 70
- NKAO Observers, Commandant Hold Meeting *[Moscow Radio]* 70
- Ammunition Trucks Seized in Azerbaijan *[Moscow Radio]* 71

Georgia

- Further Reportage on South Ossetia Problems 71
  - 'Alarming Situation' Continues *[TASS]* 71
  - Public Commission Appeals For Help *[INTERFAX]* 71
  - Opposition Criticizes Gamsakhurdia *[INTERFAX]* 71
- Gamsakhurdia Urges Recognition of Independence *[Russian TV]* 72
- Wife of Imprisoned Official Leads Tbilisi Rally 72
  - Calls Arrests 'Groundless' *[Moscow Radio]* 72
  - Claims Authorities Doing 'Nothing' *[INTERFAX]* 72
- Ethnic Groups Move To Form New Republic *[INTERFAX]* 72
- Europarliament Human Rights Official Visits *[INTERFAX]* 73

CENTRAL ASIA

Kazakhstan

- Nazarbayev Regrets Emigration of Germans *[Hamburg DIE WELT 4 Nov]* 74
- Plans To Introduce National Currency Cited *[IZVESTIYA 31 Oct]* 74

Kyrgyzstan

- Akayev Views U.S. Visit, Economic Problems *[Moscow TV]* 74
- President Bush Agrees To Visit Republic *[Russian TV]* 75
- National Revival Party Holds Bishkek Conference *[INTERFAX]* 75
- Joint Agricultural Ties Established With Idaho *[INTERFAX]* 75
- Bread Supply Situation Called 'Catastrophic' *[Radio Rossii]* 75

Arms Control & Disarmament

Talks on Armed Forces in Europe Open in Vienna

LD0411220991 Moscow TASS in English 1959 GMT 4 Nov 91

[By TASS correspondent Vladimir Smelov]

[Text] Vienna November 4 TASS—Elaboration of an agreement on reduction of the armed forces personnel in Europe, from the Atlantic Ocean to the Urals, is the main task of a new round of talks on conventional armed forces on the continent, which started here today.

Local observers estimate its prospects in a positive way, and there are good grounds for that. Practically all the countries have submitted data on the over-all strengh of their armed forces and provided explanations for the given figures. Now the participants of the negotiations have a full picture of the armed forces personnel in all 22 member-states. The presented data enables the negotiators to take a clear view of coinciding elements in the armed forces structures, as well as existing differences.

Besides, a helpful discussion sprang up about the most essential item of the talks—the scope of the future agreement, which resulted in a marked rapprochement of positions of all sides taking part in the discussion. Though it is too early to speak of an entire identity of views, none the less it can be stated that the negotiators are now in a position to see more distinctly possible contours of a future agreement and the main categories of the armed forces personnel, subject to limitation.

A regular session of the talks on confidence-building measures and security in Europe has started today in Vienna. Taking part in the talks are representatives of 38 member-countries of the Conference on Security and Cooperation in Europe. Their major task is to work out an effective package of confidence measures which would promote reaching a new quality on the way to ensuring security and stability on the continent.

Solton Comments on 'New Stage in Disarmament'

LD0411160491 Moscow Radio Moscow World Service in English 1310 GMT 4 Nov 91

[Yuriy Solton commentary]

[Text] At their last week's meeting in Madrid, Mikhail Gorbachev and George Bush checked their nuclear watches. They voiced satisfaction that the hands of the watches are moving farther and farther away from the fatal mark.

Both the American and Soviet programs are similar in volume and in schedule. The NATO has already decided to reduce its tactical nuclear weapons in Europe by 80 percent. The Soviet Union also decreases its relevant arsenals. The two countries take measures to limit their strategic nuclear forces.

True, there are issues that need to be discussed or coordinated. The two presidents agreed to create a special mechanism to elaborate concrete steps to fully realize their proposals. For example, a Soviet-American group on strategic stability is to be set up. The Soviet group is led by the well-known political figure Aleksandr Yakovlev. It is planned to discuss the possible creation of joint missile strike warning systems and elaborate ecologically safe know- how for storage and transporting nuclear warheads, to discuss how to discontinue the production of fissionable material for nuclear weapons. They will also consider the American proposal about the joint nonnuclear limited system for antimissile defense.

So today we can definitely speak about the qualitatively new state in disarmament. The Soviet Union and the United States now think not only about how to limit the nuclear threat; they set themselves the goal to eliminate it altogether, or at any rate to draw it to a minimum.

Moscow and Washington have also decided to do without talks on working out detailed agreements in the field of disarmament because it takes years. They take unilateral steps showing their goodwill and inviting for reciprocal actions.

There are also changes in the field of control. Earlier treaties, especially the recent one on the reduction of strategic offensive weapons, envisaged a huge and expensive control mechanism. The two sides are going to reject it in the future. The control will be based on the mutual exchange of information. It seems that this fact alone indicates a high level of trust between the two countries. So it is possible to hope that the disarmament process will be irreversible. And another detail: It is planned to set aside special funds in the Soviet federal budget to finance the scrapping of the reduced weapons.

Worldwide Issues

World Bank President Arrives for 3-Day Visit

LD0511064491 Moscow Radio Rossii Network in Russian 0500 GMT 5 Nov 91

[Text] The Soviet Union and the World Bank will sign an agreement on cooperation, probably today during the meeting between USSR President Mikhail Gorbachev and World Bank President Lewis Preston, who arrived in Moscow on 4 October on a three-day visit. This will signify the official establishment of mutual relations between the USSR and one of the world's major financial organizations.

As reported to an INTERFAX correspondent at the USSR State Bank, after the signing of the agreement on technical cooperation, the World Bank will start the implementation of those programs for which $30 million have already been allocated. At the talks, the World Bank will also present a three-month plan for rendering the Soviet Union technical assistance. During his visit from 4-6 November, Preston intends to meet the heads of the interrepublican economic committee and of the sovereign republics. As is known, the World Bank previously made it understood that it was prepared to cooperate with the republics on a bilateral basis as well.

Gorbachev Signs Agreement

LD0511121691 Moscow Radio Rossii Network in Russian 1100 GMT 5 Nov 91

[Report by Marina Khomutova]

[Text] President Mikhail Gorbachev and Lewis Preston, president of the International Bank for Reconstruction and Development, signed an agreement today on technical cooperation. In accordance with the document, a group of international experts on a variety of economic and social policy issues will come to the Soviet Union to provide consultative assistance. Their work will be financed by a 30- million dollar fund. Any republic of the former Union can use the experts' services, regardless of whether it has signed the economic agreement. For the first time in the bank's history, this assistance is being provided free of charge.

At a conference of World Bank member-countries, Lewis Preston said that the difficulties in the Soviet Union could have a potentially enormous influence on both developed and developing countries. He noted that the provision of aid to the USSR is, for the time being, an obligation that the bank is taking on itself.

Pankin Comments on Madrid Conference Plans

LD0411143691 Moscow TASS International Service in Russian 1340 GMT 4 Nov 91

[By TASS diplomatic correspondents Andrey Surzhanskiy and Georgiy Shmelev]

[Text] Moscow, 4 Nov (TASS)—"If the USSR had not made all the efforts necessary and had not brought all of its influence and authority to bear, the Madrid conference on the Near East might not have taken place and the parties would not have been compelled to sit down to talks", Boris Pankin, USSR minister of foreign affairs, has stated. He told a session of the collegium of the USSR Foreign Ministry today about the strenuous work that went into convening the conference, particularly during the concluding stage of its preparation.

According to the minister, the addresses at the conference by its cochairmen at the level of the USSR and U.S. presidents gave a strong impetus to the work of the Madrid forum.

Results of Madrid Conference Talks Assessed

TASS Observer Remarks

LD0411170191 Moscow TASS in English 1456 GMT 4 Nov 91

[By TASS international observer Yuriy Tyssovskiy]

[Text] Moscow November 4 TASS—Before leaving the Spanish capital as the Middle East peace conference was getting under way, U.S. Secretary of State James Baker said from a U.S. point of view the conference had got off to a good beginning, a viewpoint one feels like agreeing with, on the whole.

After the Madrid forum opened with delegation leaders voicing their official positions ahead of talks on substance, the harshness of the tone in their pronouncements left many people with a vague feeling of pessimism, even though such an approach had been expected.

Representatives of Israel, the Jordanian-Palestinian delegations, Syria, Lebanon, Egypt and others voiced their maximum demands—hence the striking spirit of irreconcilability at the beginning of the conference,

But real work, implying a search for compromise, began on Sunday [3 November]. Then, encouraging notes appeared.

It was not all smooth sailing, naturally. The Syrian delegation began by missing a meeting with the Israeli delegation, to whom credit should be given for sufficient tenacity in saying they were ready to wait for the Arabs to arrive even until midnight. After protracted consultations, Syrians arrived at the meeting but it never went a step further than reiterating the key question about whether Damascus would agree to recognise Israel.

This should not surprise anyone—representatives of the two countries sat down at the negotiating table for the first time in the more than 40 years of their acute conflict.

At the other "frontlines", however, certain headway was made. The Israeli and the Jordanian-Palestinian delegations, for instance reached an agreement that their talks would be based on U.N. Security Council Resolutions Nos. 242 and 338, implying territorial concessions would be made by Israel, which, in turn, would be recognised by Arab countries. Although the sides view these ground-laying resolutions from different standpoints, the agreement should be seen as an initial success.

The participants stressed the good, business-like atmosphere of their first contact. Another point deserving mention is the agreement of the sides to take up the most delicate problem—Palestinian self-government on occupied territories.

It can be said with certainty that the greatest complications are likely to arise in talks between Israel and the Syrians, and the mixed Jordanian-Palestinian delegation.

The key to success in these negotiations is no secret to anyone—mutual restraint, impartiality, the ability to understand the other side's position and discard the stereotypes left over from past conflicts. Arabs and Jews are expected to show that in the course of bilateral talks that took so much effort to bring about, they have mastered new thinking which, gaining ever more ground the world over, calls for switching over from confrontation to political settlement. The way ahead will be difficult, but there is no other sensible alternative.

Pogodin Commentary

LD0411163391 Moscow Radio Moscow World Service in English 1310 GMT 4 Nov 91

[Aleksandr Pogodin commentary]

[Text] At the conclusion of the opening session of the Middle East peace conference, direct participants in the Arab-Israeli conflict opened on Sunday [3 November] a stage of bilateral negotiations. Our correspondent Aleksandr Pogodin makes the following comments.

Actually the opening stage suggests neither forecasts nor conclusions, but some tendencies seem to be evident. The meeting between the Israeli and the Jordanian-Palestinian delegations was less tense than had been expected. Obviously the two sides departed somewhat from their irreconcilable positions, which they declared at the opening session. Israel went on as far as to agree that the future talks be held along two directions: the Israeli-Jordanian and the Israeli-Palestinian. Up till now Israel almost completely excluded the possibility of separate talks with the Palestinians. On the other hand the Palestinians, who used to insist on the immediate creation of their independent state, agreed to hold talks on their autonomy as a transitional step towards their full independence. Obviously there seems to be the necessary prerequisites for a concrete and constructive dialogue.

There is little information about the Lebanese-Israeli talks but judging by the news agencies' reports it seems possible to expect definite progress there. The Syrian-Israeli contacts were the most tense and at times it seemed that they may be frustrated—but they have been held, but it is difficult to say about any progress there. Syria flatly refuses to discuss other issues until it gets back the Golan Heights, a part of the Syrian territory occupied by Israel. Israel, in the same tough manner, objects against any discussions on the issue, stating about its readiness to hold talks but only about peace and some technical and economic problems.

The first impressions are rather contradictory but it seems we should agree with the American Secretary of State Mr. James Baker, who described all those meetings as a good and encouraging beginning. Indeed, for the first time in over 40 years or more, the participants in the conflict engaged in direct talks and started searching for joint ways towards peace. Many difficulties are ahead but the U.S. State Department experts say that even in their optimal variant the talks will last for about a year.

Naturally the Soviet Union and the United States will continue cosponsoring the conference. Both Moscow and Washington want not only to follow attentively the progress of the talks but also to advance joint initiatives if need be. That would help finding ways out of any difficulties which may possibly emerge, but in the final analysis everything will depend on whether common sense and good will of the conflicting sides will take the upper hand over the enmity and distrust.

'Open Skies' Meeting Resumes in Vienna 4 Nov

LD0411180891 Moscow TASS International Service in Russian 1621 GMT 4 Nov 91

[By TASS correspondent Vladimir Smelov]

[Text] Vienna, 4 Nov (TASS)—"Climbing higher" in the matter of further strengthening trust and security, and raising them to a qualitatively new level is the task of the international "Open Skies" conference, the third round of which resumed work in the Austrian capital today, after a technical break.

Taking part are delegations from 22 countries in East Europe and NATO, as well as, with observer status, representatives of the neutral and nonaligned states of Latvia, Lithuania, and Estonia. The conference is intended to lead to the signing of an agreement on reciprocal flights by unarmed aircraft, with the aim of monitoring the military activities of states and increasing openness in relations between them.

The Soviet delegation, headed by Yevgeniy Golovko, today stated its willingness to open the entire territory of the USSR to observation flights. This removes the main obstacle in the way of working out an agreement. It is now possible to begin work on its text, which is intended to be agreed by the forthcoming "Helsinki-2" summit of the CSCE states in the spring of next year. In addition, the Soviet delegation has brought with it a number of specific proposals on the quotas of flights and the observation apparatus.

The "open skies" policy, Ye. Golovko told a TASS correspondent, has the backing of the republics, which see in it a far-reaching measure of trust, from Vancouver to Vladivostok. He did not rule out representatives from the republics being in the Soviet delegation even at the current round.

Former Comecon Members Found New Organizations

OW3110140491 Moscow INTERFAX in English 0945 GMT 31 Oct 91

[From the "Business Weekly—Point of View" feature: "Businessmen From Former Comecon Countries To Resuscitate Collapsed Markets" (by Valeriy Martyanov, INTERFAX economic analyst); transmitted via KYODO]

[Text] Businessmen from Central and Eastern Europe, Estonia and seven former Soviet republics met in St. Petersburg on October 4 to found the Euro-Asian Association of Entrepreneurs (EAAE). Shortly before that, Moscow had hosted the constituent meeting of an international organisation named "East European Cooperation and Trade" (VEST). The aim of these two new organisations is to try to rebuild the Comecon market in line with modern requirements.

IF's [INTERFAX] economic analyst Valeriy Martyanov has the details:

East European Market in Tatters

The transition to world prices and hard currency in trade between former socialist countries, which even two years ago was anticipated as something of a breakthrough of these countries to a market economy, has turned out to be more a whim of politicians, than an economically rational action, says one of the organisers of the St. Petersburg forum, Soviet entrepreneur Ilya Baskin.

The hitherto common economic space disintegrated, which, in the view of participants in the meeting, only aggravated the economic crisis in ex-Comecon countries and impeded their progress towards the market system.

The lack of hard currency for mutual settlements and the nonmexistence of internationally competitive products has left such countries as Hungary, Poland and Czechoslovakia faced with overproduction of goods for which there are no outlets, whereas other countries, like the USSR, as well as Bulgaria and Romania are experiencing an acute shortage of these same goods.

The only thing that can be of any help at all for the producer of goods is barter, Mr. Baskin says. The mechanism of barter transactions, however, is hardly efficient: on the one hand, a vast number of administrative constraints in the form of licences, quotas and foreign trade authorisations are in place, while on the other hand, barter is too cumbersome for multilateral deals.

Support Offered by Mrs. Thatcher

To avoid bankruptcy, businessmen are forced to undertake efforts on their own to restore mutually beneficial trade without waiting for their governments to take action.

According to Mr. Baskin, they will be doing it through commercial banks, insurance companies, trading houses, exchanges, and specialised funds for support of entrepreneurs.

Incidentally, one of these could be, for example, Great Britain's Know-How Fund, said former British Prime Minister Mrs. Thatcher, who delivered the main address at the meeting, when asked by the INTERFAX analyst.

There are also reasons to believe that assistance, particularly to Russia's entrepreneurs, could be extended by the fund founded by Mrs. Thatcher herself.

Rutskoy Urges Businessmen To Take Legislative Initiative

Soviet and East European entrepreneurs are well aware, however, that without the state to help them along, they would find the road to the market system difficult. Therefore those attending the meeting saw it as very important that they had secured the support of President Gorbachev, who had sent them a greeting, and of Russia's Vice-President Aleksandr Rutskoy, who suggested that they present their proposals about needed legislation to the Russian parliament and promised that these proposals "would be placed at the top if its agenda."

According to Mr. Baskin, the EAAE will submit its proposals some time in early December.

VEST Thinks Up New Settlement Mechanism

The international organisation abbreviated as VEST, which was founded by around 100 enterprises and organisations from the USSR, Hungary and Poland, has already devised a mechanism for mutual settlements, under which an international clearing bank and an East European exchange are being set up, with the entire trade to be conducted through the latter and the role of a common unit for mutual settlements to be performed by the "currency certificate" introduced by the former.

According to one of VEST's senior executives, Mr. Vladimir Preobrazhenskiy, the "currency certificate" will be backed by the aggregate mass of goods and services on VEST's market.

Membership in VEST will enable banks to engage in currency exchange transactions on the basis of transfers deals, which will make it possible for Western customers to accumulate the national currencies of former Comecon countries in the accounts of the international clearing bank, to be subsequently used, for example, in the course of privatisations in these countries, Mr. Preobrazhenskiy explains.

Currency conversion through the use of transfer deals, the "currency certificate" and two-way flows of goods will lay the groundwork for a transition to free conversion of the national currencies of VEST's member countries and for an equalisation of their exchange rates against hard currencies.

According to Mr. Preobrazhenskiy, prices within VEST will be free, and the fact that the "currency certificate" will not be a real monetary unit (being as it is not money, but simply the right to purchase goods at the East European Exchange) will make it possible to avoid government regulation and enforced issuance.

New Organisations Opt for Cooperation

The EAAE will be established originally as a commercial organisation in the form of a closed corporation. Only private entrepreneurs may become its shareholders. Its articles of organisation will be signed in early December, therefore the amount of shareholders' contributions to its capital and the par value of its stock have not yet been determined.

VEST is an international non-governmental not-for-profit organisation. Governmental agencies as well as private investors may become its members. The foundation capital of VEST, which has already been registered as a juridical person, is formed by members' contributions amounting to 500,000 rubles or $50,000. VEST's founders, however, are simultaneously the founders of commercial undertakings, such as the International Clearing Bank, trading houses, etc. and expect to derive profits from the latter. According to spokesmen from the EAAE and VEST, their intention is to cooperate, rather than compete with each other.

United States & Canada

Gorbachev Meets U.S. Protestants

LD0411190691 Moscow TASS International Service in Russian 1816 GMT 4 Nov 91

[Text] Moscow, 4 November (TASS)—It has been officially announced here that a meeting between USSR President Mikhail Gorbachev and a delegation of leaders of U.S. Protestants took place today. They arrived in Moscow with the purpose of implementing the "Christian Bridge" project of mutual assistance, which represents the broadest spectrum of Christian organizations.

Members of the delegation noted that they adhere to the positions of humanitarian understanding of reality around us, in the light of which differences between people of different convictions and religious beliefs seem relative. The readiness to assist cooperation between the peoples of the USSR and the United States in the broadest spheres of life was stressed.

The delegation includes teachers, presidents of firms, heads of communities, theologists, scientists, and public figures.

The idea of the "Christian Bridge" project extends beyond the framework of loyalty to narrow national values or specific political and economic views.

KGB General Meets U.S. Religious Figures

PM0411143591 Moscow IZVESTIYA in Russian 1 Nov 91 Union Edition p 2

[By I. Gritsenko: "Prayer on Lubyanka Street"; all U.S. names as transliterated]

[Text] On 30 October, on the Day of Remembrance of the victims of oppression, General Nikolay Stolyarov, deputy chairman of an already virtually nonexistent committee, met with U.S. religious figures in the KGB building. With him in the auditorium of the former collegium were minister John Eiger; Ronald Nikkel, president of the organization to render spiritual aid to prisoners; Michael Margolis, director of the international "Christian Bridge" project; and Alex Leonovich, an employee of the "Novaya Zhizn" radio station, which has been broadcasting religious programs to the USSR for a little over 40 years.

N. Stolyarov noted that the reforming of the state security organs is inconceivable without repentance and it will be only "in favor" if believers appear in the reorganized services. "On taking up this responsible post I made a vow never to use violence." The general confirmed the association of the former council for the affairs of religions and of some ministers of religion with the KGB and reported that within the structure of the KGB Ideological Directorate there once existed the so-called "zet" section, which dealt with the church.

During the conversation talk turned to the circumstances of the mysterious killing of Father Aleksandr Men. The KGB deputy chairman informed those present that the country's president has taken this matter under personal control. M. Margolis is leaving in the USSR a check for $1,000 for the person who helps detect the crime. He gave Stolayrov a picture version of the Bible for his children and a set of lavishly produced Christian books. A prayer was given to God for our country and for the health of Nikolay Sergeyevich.

Truly, He moves in mysterious ways.

U.S. Commerce Official Cited on Aid

PM0511115091 Moscow IZVESTIYA in Russian 4 Nov 91 Union Edition p 3

[By correspondent Yu. Blinov: "Aid for the Union on the Agenda"]

[Text] Washington—In the long term, the Soviet Union reprsents a huge market; however, now it needs economic aid. High-ranking representatives of the U.S. Administration voiced that opinion in the U.S. Congress on their return from trips to the USSR.

Michael Farren, U.S. under secretary of commerce, gave his impressions of his visit to the USSR at hearings in the Senate Foreign Relations Committee. In his view, "the old economic command system is rapidly collapsing." State orders are not being fulfilled, particularly food deliveries. At the same time, however, the Soviet people's desire for change made a profound impression on M. Farren.

M. Farren noted that, despite the limited opportunities for trade with the USSR, U.S. businessmen are expanding their operations in the Soviet Union. In the first half of 1991, exports of U.S. machinery and equipment to the USSR rose by 50 percent. Sales of computer equipment reached the level of $100 million a year—six times higher than two years ago. However, food, mainly grain, still represents up to 70 percent of all U.S. exports to the USSR.

Now roughly 90 U.S. firms have their own missions in Moscow. A "critical mass" of U.S. business has been developed that may help increase Soviet-U.S. trade and economic ties. Bilateral agreements in the sphere of trade, investment, and taxation are being prepared.

The U.S. Administration advises U.S. entrepreneurs to "waste no time and spare no effort" to make their presence felt on the Soviet market, otherwise "you may lag behind your European and Japanese competitors.' At the same time, official Washington also warns of the possibility of Soviet partners' failure to pay bills for deliveries. According to M. Farren, Western firms have already accumulated $4 billion worth of unpaid bills, including $200 million for American firms.

The U.S. press reports that the leadership of the U.S. Administration is currently considering the Soviet side's requirements. In the near future, G. Bush may announce his decision. It is intended that the White House will display readiness to provide new credit guarantees for the Soviet Union to procure grain from the United States.

THE WASHINGTON POST is writing about plans to provide the USSR with immediate food aid. Thus Senator Sam Nunn and Congressman Les Aspin, Democratic Party representatives in the Congress—they head the Senate and House of Representatives Armed Services Committees respectively—drafted a bill on using appropriations initially earmarked for military purposes to this end.

S. Nunn and L. Aspin propose taking $1 billion out of the Pentagon budget and using this money to provide the USSR with food aid. The intention is to use military transporters to deliver the food shipments to Soviet territory.

Canada Grants $500 Million Credit for Grain

LD0311030391 Moscow TASS in English
1507 GMT 2 Nov 91

[By correspondent Valentin Vasilets]

[Text] Ottawa November 2 TASS—Canada's Prime Minister Brian Mulroney has announced a package of measures to help the Soviet Union satisfy urgent requirements in food and medicines.

The statement by the prime minister released by his office on Friday [1 November] points out this package includes extending an additional 500-million-U.S. dollar credit to finance the purchase of Canadian grain. On the same day, an agreement was reached to sell four million tonnes of grain, it is reported here. The official report does not specify the value of this deal but experts quoted by the CANADIAN PRESS AGENCY put it at 650 million Canadian dollars.

The Canadian programme of aid to the Soviet Union also includes the provision of five million dollars in humanitarian aid to pay for the supply of medicines. They will be distributed by the Canadian Red Cross.

Mulroney's statement says that the package announced on Friday complements measures to strengthen economic relations between the two countries, which were adopted earlier. It means the one-billion U.S. dollar-credit for the purchase of grain, most of which has already been spent. A credit worth 150 million Canadian dollars has been set aside recently. The Soviet side has already defined the list and the amount of products to be purchased here with this money.

The Ukraine received a separate 50-million-dollar credit.

Northeast Asia

Japanese Envoy Calls For Return of Islands

OW0411042391 Tokyo KYODO in English
0410 GMT 04 Nov 91

[Text] Moscow, Nov. 4 KYODO—Japanese Ambassador to the Soviet Union Sumio Edamura appeared Sunday [3 November] night on Soviet television calling for the return of the disputed Northern Territories off Japan's island of Hokkaido.

In a five-minute interview with a Soviet reporter, Edamura said the solution to the territorial dispute between Japan and the Soviet Union is necessary, and that the resulting absence of a bilateral peace treaty has prevented mutual trust.

Japan maintains that it will not conclude the peace treaty unless Moscow returns the "Northern Territory islands"—Kunashiri, Etorofu, Shikotan, and the Habomais, which the Soviet Union seized in the closing days of World War II.

Edamura called for understanding on the issue from the Soviet public, and primarily cited historical facts to try and persuade rather than directly using the words "return the four islands."

He said that Japan was the only nation to have posession of the Northern Territories before the Soviets seized them.

He also denied that the islands' return is a condition of Japan's proposed economic assistance to the Soviet Union.

Japanese Delegation Views Economic Relations

LD0511095691 Moscow TASS in English
0810 GMT 5 Nov 91

[Text] Moscow November 5 TASS—The development of the Japanese-Soviet economic cooperation under new conditions and the achievement of a breakthrough in bilateral economic relations are the task of a delegation from the Japanese business community, said visiting general secretary of the Japanese forum of political innovations Sugimoro Koji.

He told TASS that the forum, an influential Japanese organisation created last November, unites leaders of the ruling party, heads of the Japanese business world and political scientists. The Japanese KYODO TSUSHIN is the co-chairman of the forum.

The organisation has turned to the Soviet foreign political association, whose head is Eduard Shevardnadze and co-chairman is the TASS news agency, with a proposal to receive a delegation of Japanese businessmen between November 20 and 28.

Meeting Eduard Shevardnadze on Monday [4 November], Sugimoro Koji told him about this proposal, which fully corresponds to the striving of the foreign political association to develop fruitful bilateral economic and political relations with all states.

The proposal was accepted. Thus, the first, after the Japanese decision to grant a large credit to guarantee activities of Japanese firms on the Soviet market, high-ranking Japanese economic delegation will come to the Soviet Union.

The delegation will be headed by the second-rating leader of the Japanese business world, vice-president of the Japanese federation of economic organisations, president of the association of trade with the Soviet Union and Eastern European countries, Toshikuni Yahiro.

It will also unite almost 30 heads of leading industrial corporations and companies, including Shinnittetsu, Toyota, Sony, Toshiba, as well as associations of consumers of energy carriers importers.

Touching on specific plans for the upcoming business negotiations, the forum secretary general said that heads of companies have worked out proposals on cooperation and are ready for specific negotiations.

Delegation members are especially interested in plans of the economic development of Russia, possibilities of cooperation in the conversion of the Soviet defence industry, as well as specific projects and Japanese investments in them. Soviet experts may be interested in the Japanese experience of transition to the market economy, and escapes from crisis situations in the post-war period of 1945-1950.

The information leaders of the two countries, KYODO TSUSHIN and TASS, may play a significant role in the activization of the Soviet-Japanese political, economic and cultural relations, since they have good information bases, communication channels and broad contacts with politicians and business people of the two states, said Sugimoro Koji.

All this may serve as a basis for the development of the Japanese-Soviet business relations, in case of proper diligence and organisation.

In conclusion, Sugimoro Koji dwelt on the need to stabilize the Soviet-Japanese political relations, which are the corner-stone of security in the Asia-Pacific region and throughout the world.

In his opinion, the absence of a peace treaty between the two states considerably hampers the development of bilateral relations. However, efforts made on the way to signing the peace treaty should be accompanied by a parallel development of economic relations.

Parallelism in these issues creates a favourable atmosphere and prerequisites for a complete normalisation of relations between the two states, said Sugimoro Koji.

PRAVDA Cites Japanese Poll on Aid

PM0511100591 Moscow PRAVDA in Russian 30 Oct 91 p 1

[By correspondent I. Latyshev: "In No Rush To Help"]

[Text] Tokyo, 29 Oct—The question whether Japan should give the Soviet Union free financial aid is one that interests the local public. What do ordinary Japanese think about this?

In order to ascertain this, the editorial office of YOMIURI, the country's biggest paper, conducted a mass survey of the Japanese population in the last 10 days of September. The results are as follows: Only 15 percent of Japanese were in favor of giving immediate financial aid to the Soviet Union. At the same time, 71 percent gave a different answer: It is better to refrain from giving financial aid for the moment, to postpone granting it "until the appropriate time." Some 10 percent of respondents were categorically against giving aid to our country.

The survey showed that 47 percent agreed that the major changes in the USSR Government since the abortive August conspiracy will have a positive effect on the international situation and will contribute to its stabilization and to peace. Only 27 percent voiced doubts about this.

Rogachev Meets With DPRK Ambassador

LD0411204791 Moscow TASS in English 1808 GMT 4 Nov 91

[Text] Moscow November 4 TASS—Deputy Soviet Foreign Minister Igor Rogachev today received ambassador of the Democratic People's Republic of Korea in the USSR, Son Song-pil, at the latter's request.

The sides discussed the situation on the Korean peninsula, shaping up in connection with the recent disarmament initiatives of the United States and the Soviet Union, as well as some aspects of the Soviet-North Korean relations, the Soviet Foreign Ministry's Information Directorate reports.

Defense Minister Receives ROK Officials

PM0511112191 Moscow KRASNAYA ZVEZDA in Russian 29 Oct 91 Second Edition p 3

[By TASS correspondent O. Moskovskiy: "Conversation Held"]

[Text] On 28 October Marshal of Aviation Yevgeniy Shaposhnikov, USSR defense minister, met with Kong No-myong, ROK ambassador to the USSR, at the latter's request.

There was a conversation on questions of mutual interest. Lieutenant General Yong Yong-il, chief of the ROK National Defense Ministry Intelligence Directorate, who is visiting the Soviet Union, took part in the conversation.

"This meeting resulted from the need to clarify some of our positions ensuing from the exchange of ambassadors and military attaches between the ROK and the Soviet Union," Kong No-myong stated in an interview with your correspondent after the meeting.

In turn, Lt. Gen. Yong Yong-il called the conversation with the USSR defense minister "exceptionally useful and friendly."

IZVESTIYA Denies 'Disinformation' on KAL

PM0411112791 Moscow IZVESTIYA in Russian 29 Oct 91 Union Edition p 8

["IZVESTIYA Investigation" by special correspondents Andrey Illesh and Aleksandr Shalnev: "We Are Accused of Disinformation by Those Who Either Kept Quiet or Who Themselves Spread Cock-and-Bull Stories About the South Korean Boeing"]

[Text] Our newspaper's expedition in the vicinity of Moneron Island in the Tatar Strait is drawing to a close. During the course of it, the remains of the giant Jumbo jet downed by two missiles from a Su-15 fighter during the night of 31 August-1 September 1983 were found once again at a depth of approximately 180 meters, raised, and photographed for a future movie. Our special correspondent Sergey Taranov reports from on board the ship Gidronavt that unique footage has already been taken during several extremely successful dives. In the admission of Mikhail Girs, the man who originally discovered the Boeing on the seabed, the shots include very rare subjects: The main body of the broken airliner has been filmed. The participants in the underwater work are convinced that the surprising transparency of the water, the energy of the crew, and the class of the specialists involved in the work have made it possible to record things that could not be done even eight years ago from the same Tinro-2 underwater autonomous craft.

...For almost a year now IZVESTIYA has been publishing its journalistic investigation into the tragedy, which claimed 269 lives. For a year now we have been trying to breach an official wall of silence. It is only quite recently—since the failure of the putsch and the cadre changes in the Soviet special services and the Army leadership—that the newspaper has begun to meet with understanding from the bodies that covered this world scandal with a veil of secrecy and did not let journalists come within missile range of documents still kept in special archives. In the past the lies of our official version were largely disseminated thanks to the obedient TASS regime. The first report by that agency (prepared, incidentally, at the CPSU Central Committee in Staraya Ploshchad with the help of the military) has become a "classic" of Soviet journalism: "...The aircraft disappeared in the direction of the sea..." Now, eight years later, this agency has taken a new interest in what happened. "Expert's Opinion on IZVESTIYA Expedition to Downed Boeing. Vladivostok (TASS correspondent Vladimir Palagutin). IZVESTIYA's report on its operation to find the South Korean Boeing 747 downed in 1983 has attracted the attention of people in the Far East and given rise to a mass of questions: Since a search is being mounted, this means that something was concealed from the people, and everything that was said about the event previously was, to say the least, the distorted truth. The start of the report was intriguing: 'The IZVESTIYA expedition has found the Boeing 747. Material evidence is being raised.' And yet the remains of the aircraft were found right after the tragedy. The work was carried out by divers of the Pacific Fleet. Maybe they 'failed to find everything' or concealed something?

"'Frankly speaking, the reasons for this "independent expedition" are not quite clear,' Captain First Rank Boris Kosik, chief of the fleet's search and rescue service, commented on the situation at the TASS correspondent's request. 'We found and raised everything that could be found and raised. There were no remaining mysteries about the aircraft's provenance or the nature of the tragedy... No one ever made a secret of the aircraft's location... Anyone who so wished could have...obtained all the information from our hydrology service... Incidentally, ships and craft used back in 1983 are participating in the expedition. And the people are the same... So there is no hint of anything new here. But there are signs of an attempt to cast aspersions on an "authoritarian" department.'

"In the opinion of Boris Kosik, if there are any mysteries in this affair, they need not be sought on the seabed—the fleet's rescue workers leave no imperfections in their work."

Indeed, it is hard to find imperfections in the work of the fleet rescue workers, if only because, simply, not one of them was on the bed where the remains of KAL-007 lie. The entire successful part of the operation at that time—the fall of 1983—was carried out with the help of the civilian drilling ship Mikhail Mirchink, from which Murmansk and Sakhalin divers worked, and with the assistance of the ship Gidronavt with its Tinro-2 manned craft. Underwater photography of the scene of the tragedy was carried out from on board the latter. The way the military operated has been described in detail by eyewitnesses in our reportages.

Today IZVESTIYA really is carrying out work (filming and continuing the investigation) thanks to the same people. Particularly Capt. Girs and Capt. Bass, who took the risk of preserving documents that, at the insistence of the military, were classified secret or simply removed. Before the putsch, all official bodies, let us repeat, quite intentionally kept quiet or even hindered the ascertainment of the truth. They abided by their "secrecy"! All the factual data (which, incidentally, have been reprinted by dozens of the world's major news agencies, been commented on by television, and are now appearing as a separate book) have been secured by IZVESTIYA, not with the help of state structures but despite them. This, in particular, is confirmed in an interview by Admiral Sidorov, former commander of the Pacific Fleet. He spoke unambiguously about the secrecy of all the operations conducted by seamen and about who prevented him from telling the truth and how.

...But "secrets" are by no means just the trademark of developed socialism alone. The U.S. military bureaucracy is no more efficient than ours. It is inclined to regard much that issues from its bowels as something to be kept well and truly hidden. It took the U.S. Navy Department almost eight years to agree to make public one of the reports prepared in the fall and winter of 1983 on the results of the search work. The report probably would not have seen the light of day at all but for the persistence shown by certain members of Congress who, in turn, acted not without pressure and prompting from the U.S. Association of the Families of KAL-007 Victims.

Yes, the report did at last see the light of day, but in such a way that still hardly anyone in America knows about this: Declassified documents at once settle in institutions that are hardly accessible to the general public, and the general public does not get the information that the documents have been declassified. This is the first official document on the tragedy ever to have been published during these eight years by the governments of the countries involved in the tragedy: the USSR, the United States, Japan, and South Korea.

What these countries submitted to the International Civil Aviation Organization, which examined the incident in Montreal during that period, cannot seriously be considered documents. The reports and information from the interested sides were, rather, a document of political shrewdness in which the sides tried to shift all responsibility onto one another. There, just as with the official Soviet authorities, the dead passengers were relegated to the background. Only political and economic ambitions were (and still are) at the forefront.

One of the main conclusions in the report was this: If it had not been for the restrictions by which the ships of the U.S. Navy conducting the search were obliged to be guided, they would have found the remains of the aircraft.

Another key conclusion: The Americans did not see any fragments of the Boeing 747 being raised onto the Soviet ships also engaged on search operations. Maybe this is a sensation, for it has been established documentarily that this was not so. But how did the Americans, with their very sophisticated equipment, contrive not to notice the transfer of what had been raised from the bed? Maybe a reluctance to admit that they committed a serious "howler" at that time was one of the reasons why the Navy's report was deemed secret for so long?

Reading this document, you cannot fail to notice the interest elicited in Americans by the appearance of the drilling ship Mikhail Mirchink in the area of the search. The report reads as follows: "The Mirchink was of tremendous intelligence interest to the United States." (This is altogether an enigma, for the ship was built for the USSR in Finland). Hence the intense observation of everything this ship was doing—observation that, once again, produced no substantial results. The report bluntly admits: "The Mirchink's true mission...remains unfathomed." But now, following the articles in IZVESTIYA, this gap has, naturally, been filled.

A few more details. The entire search operation for the Boeing cost the Americans almost $20 million. (But how much did it cost us?!) Making recommendations on how similar operations should be conducted in the future, the report's authors particularly emphasized "the pressing need for a stable supply of fresh milk and other foodstuffs for seamen in order to ensure proper morale." The foodstuffs the Americans were consuming in the fall of 1983 included "ordinary milk, chocolate milk, apples, bananas, cabbages, cantaloupes, carrots, celery, cucumbers, grapefruits, grapes, melons, lemons, lettuces, oranges, pears, peppers, potatoes, mandarins, tomatoes..."

We will not list what our "searchers" were eating. This is clear.

The Navy's report voiced serious irritation at the fact that "Soviet ships were engaged not only in searching for the wreckage of the aircraft but also in obstructing the efforts U.S. ships were making for the same purposes, as well as the efforts of U.S. ships to follow what the "Soviet side" was doing. IZVESTIYA's reportages or, rather, the testimonies of participants in the search mission show that we were extremely successful in hindering the Americans. We are great guys! But—and this is also clear from the newspaper's investigation—the Americans hindered us too. Does this mean that they too are "great guys"?

The final point: It is known that the Americans began their search operations just a few hours after KAL-007 was downed. The Navy's report, however, does not contain any information about the first four days of the work. What was happening then? Information about that remains confidential. But, according to our data, this too will be made public quite soon.

Sub-Saharan Africa

RSA Botha's Visit Welcomed; Ties Urged

PM0411171191 Moscow IZVESTIYA in Russian 2 Nov 91 Union Edition p 3

[By B. Pilyatskin: "Diplomatic Sensation: Republic of South Africa Foreign Minister To Visit Moscow"]

[Excerpts] IZVESTIYA has learned from a reliable source that Roelof Botha, foreign minister of the Republic of South Africa [RSA], is expected to arrive in Moscow during the first 10 days of November.

This news was confirmed by the USSR Ministry of Foreign Affairs, which emphasized that the planned visit is to be private and unofficial and that the initiative came from Botha himself. [passage omitted]

The fact that, albeit after some hesitation, the USSR Foreign Ministry has agreed to Botha's arrival is, unquestionably, to be welcomed. Is it wise, however, not to make use of the chance it offers for talks on establishing all-around cooperation? The broad public favors precisely this. The Russian-South African international conference of businessmen, which IZVESTIYA reported a few days ago, adopted a declaration of intent. It proposes that organizations to support economic ties between our countries be established without delay in Russia and the Republic of South Africa "with a view to promoting the development of trade and enterprise and also to ensure capital investments in mutually advantageous economic projects in both countries, including projects concerning gold, platinum, diamonds, and other useful minerals." It was also decided to address the governments of South Africa, Russia, and the Soviet Union with the request to resolve as soon as possible the question of the establishment of official diplomatic relations. Allow me to note that this topic has been raised more than once recently on the pages of IZVESTIYA.

We would like the diplomats on Smolenskaya Ploshchad [USSR Foreign Ministry building] and Staraya Ploshchad (where the RSFSR [Russian Soviet Federated Socialist Republic] Foreign Ministry is now located) to take note. Maybe, having restored diplomatic relations with Israel after 24 years, we will turn our eyes to the Republic of South Africa, which the USSR's consular representatives quit in 1956....

South African Diamond Firm To Enhance Ties

PM0411132191 Moscow PRAVDA in Russian 31 Oct 91 p 5

[TASS report accompanied by editorial office commentary: "De Beers Is Content"]

[Text] London, 30 Oct— Sad though it is, you very rarely today hear optimistic pronouncements and assessments from representatives of Western business concerning the maintenance and development of business ties with the Soviet Union. From this standpoint, the De Beers Centenary Corporation, which controls 90 percent of the world's wholesale trade in uncut and cut diamonds and cooperates closely with the USSR, can be described as a rare exception.

Corporation Director Gary Ralfe stressed that all existing contract agreements with the Soviet side are being precisely met. In his words, there is a desire to fulfill all commitments and to continue to work with the corporation in the future. He acknowledged that even in the light of political events in the USSR, De Beers Centenary, which, he said, occupies a very important place in the world cut diamond market, could not simply up and turn its back on the Soviet Union, which is a very large producer of uncut diamonds. "Therefore," Ralfe said, "we do not just want to maintain our ties, we want to strengthen them. And I would like to believe that there will be the opportunity for this during this period of political changes (in the USSR)."

Here Ralfe acknowledged that his corporation occupies a special place among Western firms insofar as business ties with the USSR are concerned, as it already has great experience of such cooperation. He stated that he could understand the confusion and indecision shown by those Western firms that, as he put it, are trying to find a place for themselves in the Soviet market. Western businessmen studying the possibility of establishing ties with Soviet republics must take account of the degree of associated risk. If they have to invest large sums or sell goods, they will certainly show indecision. If, on the other hand, as in our case, you are concerned with acquiring goods in the USSR, this element of risk is no longer there.

He noted that Western businessmen, being pragmatic people, will closely follow the business progress of those companies already cooperating with the USSR. I would advise the governments of the republics to take very good care of those already operating in the Soviet Union.

From the editorial office: Satisfaction can of course be expressed at the Soviet side's precise honoring of its commitments regarding the supply of goods and fulfillment of agreements entered into. There does remain a bitter taste in the mouth here, however, that we are still talking about exporting raw materials—diamonds in this case—from our country. The unambiguous appeal by the director of the world's biggest cut diamond organization to the governments of the republics to take good care of the firms already operating in the USSR also attracts attention. Particularly because, as he himself says, the most active firms today are those taking the least risk—that is to say, the importers. Is it not time to return to the idea of creating our own modern center for processing precious stones. De Beers' assistance would indeed be "invaluable" here.

East Europe

Country May Halt Oil Supplies to Yugoslavia

OW0511005691 Moscow INTERFAX in English 2353 GMT 4 Nov 91

[From "Business Report"; transmitted via KYODO]

[Text] The Soviet Union will halt the supply of oil to any Yugoslavian republic against which international sanctions have been raised, a high ranking member of the Soviet Foreign Ministry announced. The official was describing for INTERFAX Moscow's position on the eve of the European Community [EC] session in The Hague. On November 5, the EC is expected to consider imposing an economic embargo on one or more of the Yugoslavian republics for repeated violations of ceasefires.

If the UN Security Council supports EC sanctions against the Yugoslavian republics, then the USSR will also cease to supply oil to the country, the Soviet diplomat stated.

Serbia Appeals For Aid To Halt 'Genocide'

LD0411235291 Moscow TASS in English 2258 GMT 4 Nov 91

[By correspondent Aleksandr Kondrashov]

[Text] Belgrade November 5 TASS—The Serbian government appealed to the governments of the USSR, USA, China and countries of the Economic Community to take urgent measures aimed at averting genocide with respect to Serbians living in Croatia.

According to a government statement published here, the recent bloody actions of Croatian troops in West Slavonia "testify to the Croatian authorities' intentions to carry out systematic and merciless extermination of the whole Serbian population within the administrative borders of Croatia".

The Serbian government warned that if the policy of genocide is continued, it will take all necessary measures to protect its compatriots. It called the union bodies of Yugoslavia and its armed forces to resolute actions with a view to stopping brutalities of the Croatian authorities which bear full responsibility for victims and destructions in Serbian settlements.

The Serbian parliament appealed to the governments of the democratic Europe to exert influence on the Croatian authorities to stop massacres with regard to Serbians living in Croatia.

Serbian Opposition Delegation Visits Moscow

OW0411182891 Moscow INTERFAX in English 1532 GMT 4 Nov 91

["Diplomatic Panorama" feature by diplomatic correspondents M. Mayorov and I. Porshnev; transmitted via KYODO]

[Text] A delegation from the Serbian Democratic Party (DPS) is now in Moscow with their leader, a professor of philosophy, Drogolub Micunovic. A "DP" [Diplomatic Panorama] correspondent was told by one of the members of the delegation that this was the first visit to Moscow by the second most powerful opposition in Serbia, which primarily reflects the views and interests of its intelligentsia.

The leader of the DPS hopes to meet with Yeltsin, Khasbulatov and other Russian leaders to exchange views on the events in Yugoslavia. According to the DPS president's press secretary, Andrey Popovic, the situation in Yugoslavia is becoming more and more complicated by "clashes between Orthodox Christians and Catholics." He called the regime in Croatia "fascist" and expressed anxiety for the Serbs living in the Croatian republic.

Army Withdrawal From Poland 'More Difficult'

LD0211115291 Moscow Central Television First Program Network in Russian 2202 GMT 30 Oct 91

["Television New Service" report by A. Guretskiy]

[Text] Fulfilling the agreement's terms, the troops stationed in Poland continue to be withdrawn to the Union. Although our two countries are linked by fine highways, one condition is dictated: only by rail—and not under their own power. This is profitable for Poland, because up to $1,500 has to be paid for the passage of each railcar, and we are obliged to meet such expenses.

However, as the commander of our troops thinks, the problem is far more difficult with the Army's immovable property. Even what can be sold attracts customs duty and a turnover tax that mounts up to 30 to 60 percent of the value of the goods. The Polish side is demanding that anything built after 1945 should be handed over, free of charge, as compensation for the ecological damage caused, which Poland estimates at some $65 billion. We already encountered these, or similar problems, previously, when withdrawing our troops from Czechoslovakia, Hungary, Mongolia, and, finally, Germany. Now, however, we do not have the appropriate protocols on property and financial matters. That being so, they are interpreted differently on each occasion, depending on the point of view.

West Europe

Lisbon Envoy Warns of Possible Winter Coups

LD0411232891 Lisbon RDP Commercial Radio Network in Portuguese 2300 GMT 4 Nov 91

[Text] The Soviet ambassador to Lisbon has admitted the possibility of new attempted coups in the USSR. Crime and hunger during the coming winter could motivate a new attempt to return to dictatorship, said Gennadiy Gerasimov. The ambassador was speaking today at a conference on the changes in the Soviet Union organized by the Portugalense forum. For some 60 minutes Gerasimov described with some irony the serious crisis affecting his country. However, he expressed his optimism regarding the continuity of the Union.

Gorbachev Reportedly Casts Off Honecker

AU0411153591 Hamburg BILD in German 4 Nov 91 p 1

[By Karl-Ludwig Guensche: "Gorby Casts Off Honecker"]

[Text] Mikhail Gorbachev no longer considers Erich Honecker as a guest; he has practically cast him off. According to information obtained by BILD, he told confidants: "What happens to Honecker is primarily the business of the Germans, because he is a German citizen. They can talk to him at any time, even interrogate him." He no longer accepts Honecker's phone calls. They are intercepted by his secretary. The ex-Socialist Unity Party of Germany chief reacts with threats against Gorbachev: "He betrayed us all. I will expose him in front of the whole world." However, he does not say how he intends to do that. During a walk in the park of his Moscow dacha Honecker complained: "The bodyguards are no longer protecting me. They are guarding me like a prisoner."

German Minister on Honecker Extradition

LD0411162391 Moscow TASS in English 1602 GMT 4 Nov 91

[By correspondent Viktor Chistyakov]

[Text] Bonn November 4 TASS—German Minister of Justice Klaus Kinkel today refuted allegations of the BERLINER KURIER newspaper about his pronouncements on an early extradition to the German authorities of former East German State and Communist Party leader Erich Honecker.

Referring to the minister's words, the newspaper claimed, in particular, Honecker, currently staying in the Soviet Union, will be returned to Germany by the end of this November.

The newspaper pinned certain hopes on the German visit of Russian President Boris Yeltsin, to begin on November 20, who could present the German side the solution of the "Honecker case" as "a gift".

In his own words, Kinkel told the newspaper Bonn will make new attempts to urge the Soviet and Russian leaderships to extradite Honecker to the German law enforcement bodies. The minister expressed the hope that all formalities will be settled by the end of this November.

In the nearest future the Soviet ambassador in Germany will find out whether or not the decision on Honecker's extradition lays within the competence of Russian Justice Minister Nikolay Fedorov. The latter has repeatedly said in public the German authorities have made no official demands on the extradition of the former East German leader.

It is supposed that such a document can be passed over to a Soviet representative on November 18 or 19, when justice ministers from West and East European countries will come to Bonn to attend an international conference.

Italian Terrorists 'Never Funded' by CPSU

LD0411142091 Moscow TASS in English 1237 GMT 4 Nov 91

[Text] Rome November 4 TASS— Italian Red Brigades were never funded by Eastern governments or secret services, according to Carlo Mastelloni, a renowned Italian investigator who has given years to inquire into terrorist activities.

He spoke in connection with reports from Moscow that the Soviet Communist Party Central Committee [CPSU] "black funds" went to subsidize some "extremist organisations" in other countries.

Some Italian newspapers suggested that along with Italian Communists, terrorists from the notorious Red Brigades were on the payroll from Moscow.

Cherishing their Leninist-type cultural and ideological convictions, the Red Brigades were afraid to lose their political autonomy and declined any foreign subsidies. They got money exclusively through independent actions, including bank robberies.

Mastelloni admitted that during the hard times when red terror was on the rampage in the Apennines, the Italian Communist Party cooperated with law enforcement agencies and informed the police about its former members expelled from the party for extremism or left the party on their own free will to join the extreme left subversive groups.

The Soviet Union relied exclusively on the Italian Communist Party, the largest communist party in Western Europe with a great political influence in Italy, Mastelloni said.

As regards other European countries, which did not have strong left movements, the Soviet Union and its secret services looked for, and found links to underground movements. Mastelloni said this was the case, for instance, with West German terrorist organization RAF [Red Army Faction].

Military Team in UK for Joint Inspection

PM0411115491 Moscow KRASNAYA ZVEZDA in Russian 31 Oct 91 First Edition p 3

[TASS report: "For Joint Inspection"]

[Text] London, 30 Oct—A group of Soviet military inspectors have arrived in Great Britain for a joint inspection of a number of military facilities in line with the Treaty on Conventional Armed Forces in Europe.

The measure, code-named "Henley 7/91," is an important stage in Great Britain's preparations for honoring its obligations under the Paris treaty. This is the seventh bilateral inspection with UK participation and the third involving a former Warsaw Pact country.

Commentary Examines Building of 'New Europe'

LD0311100691 Moscow Radio Moscow World Service in English 1310 GMT 2 Nov 91

[Anatoliy Potapov commentary]

[Text] The building of a new Europe was the theme prominent at the recent talks between Mikhail Gorbachev and the Spanish and French leaders, Felipe Gonzalez and Francois Mitterrand. Anatoliy Potapov has this comment:

The results of the talks first in Madrid and then in France indicate that despite rapid changes on the continent, the concept of a new Europe still remains in the forefront of the European policy. If anything these changes have invigorated the effort aimed at building a new Europe. One can gather from the latest meetings how this process is visualized.

First of all, there is a need to give the idea of an all-European unity a new lease of life to make it more tangible. If this is to be achieved, all the countries of the continent should be provided with an opportunity to jointly discuss problems which are of interest to all. They should have a chance, if need be, to take steps toward maintaining stability and security throughout the continent. That means that new structures bringing the European countries together are necessary. The structures set up after the first Paris meeting one year ago are only the first shy steps toward the building of new Europe. I assume that further steps may lead to an enhancement of the role played by the European Council—this intergovernment organization of 25 countries with a headquarters in Strasbourg. I believe that crucial decisions to transform the organization of European communities into a single political, economic, and monetary union will mark a new stage on the way leading to European integration.

Today, however, the situation in the Soviet Union has become a crucial issue of the advancement toward a new Europe. Francois Mitterrand underlined once again that it would be important to retain the democratic structures of the center in the Soviet Union on a federative basis. Mitterrand's concern is understandable, for this solves the question of communication between the West and Moscow, and also the problem of a nuclear security. And what about the position of Soviet sovereign republics in a new Europe? An interesting idea on this account was expressed by the French president's aide. A future Europe could have two props, as it were—a strong political alliance formed on the basis of the organization of European communities, and a new commonwealth of the Soviet Union's European republics.

The transition to new relations in Europe will undoubtedly require a radical revision of the role played by such military alliances as NATO. It was this particular point that Mikhail Gorbachev underlined in France. NATO leaders intend to put forward next week their own project of a European security system and of cooperation with former Warsaw treaty countries. It remains to be seen, however, if this project will become an effective contribution to the building of a new Europe and a proof of the gradual enhancement of NATO's political rather than military role.

In short, the main conclusion of the just held talks on Europe expressed is the desire to maintain and translate into reality what has been achieved through the enormous effort of all the European states, first in Helsinki and then in Paris. There is also the conviction that a new democratic Europe with a single economic cultural and legal space is no utopia. It is the continent's real future.

New Friendship Treaty With Finland Viewed

LD0411125491 Moscow TASS in English 1227 GMT 4 Nov 91

[By correspondent Aleksandr Surikov]

[Text] Helsinki November 4 TASS—Representatives of the Soviet and Finnish Foreign Ministries met here today for another round of consultations concerning the working out of a new political document to replace the 1948 Treaty of Friendship, Cooperation and Mutual Assistance between the two countries.

The delegations are headed by Soviet Deputy Foreign Minister Yuriy Deryabin and head of the Finnish Foreign Ministry's Political Department Jaakko Blomberg.

The official dialogue about the problem was begun by the meeting between Soviet and Finnish officials in Moscow last October.

Both sides recognised that the 1948 treaty had played a great positive role in establishing and developing genuine good-neighbourly relations between the Soviet Union and Finland. They noted, however, that some provisions of the treaty formulated at the initial stage of the cold war are now seen as outdated due to recent radical changes in the situation in Europe and the whole world. This applies above all to military-political articles dealing with joint measures to be take in case of military aggression on the part of Germany or its allies.

During the Moscow round of consultations, representatives of the Soviet Union and Finland stressed that a new treaty must facilitate the switch over to a new level of relations between the two neighbouring countries in accordance with the will of the time and provide a basis for cooperation in the long term.

Upon arrival in Helsinki, Yuriy Deryabin said work over the treaty could be completed before the end of 1991.

'Lost' Relations With Finland Examined

PM0411150891 Moscow IZVESTIYA in Russian 24 Oct 91 Union Edition p5

[By political observer Stanislav Kondrashov: "Lost Partner"]

[Text] Helsinki, Moscow—The strongest impression I received from my recent visit to Helsinki is that Finland has lost a gigantic partner to the east that has hitherto determined its international existence to a decisive extent. It has lost us, dear gentlemen comrades, if by us—according to established international practice—you mean an ordered state and a more or less organized society.

This is no revelation, of course. We have lost ourselves and have yet to find ourselves against a background of extremely critical economic circumstances. These circumstances suddenly disappear, incidentally, as soon as the Moscow-Helsinki train crosses the last rails between our border station of Luzhayka and their border station of Vainikkala and glides smoothly along Finland's excellently laid track: an unmistakable sign of order, prosperity, and civilization outside the coach window.

It would nevertheless be useful to try to understand the Finns and see ourselves through their eyes. On the one hand, losing us as a partner is a kind of gain for them, because, ever since the postwar years, the Soviet Union has dominated Finland's foreign policy and imposed limits on its manifestations of sovereignty. Now it is freer to reorientate itself toward the West and Western Europe. Finland would like to join the European Community, but, through force of habit, still looks over its shoulder at us, unsure of the limits of its new freedom.

On the other hand, it is bad news for the Finns, because their old partner has disappeared together with regular trade supporting the Finnish economy. Ten years ago, 24 percent of all Finnish exports went to the Soviet Union. This has now shrunk to just 4 percent and is continuing to fall, with trade apparently plummeting toward zero. With its population of 5 million, Finland used to rank alongside the FRG, France, and even Japan in terms of volume of trade. It was unrivaled as far as reliability and commitment to the Soviet market were concerned. We were the ones who proved to be unreliable: First, by not knowing how to remedy the imbalance resulting from the drop in oil prices, then muddleheadedly abolishing clearing as a method of foreign trade accounting, and finally, apparently completely writing off trade and economic relations with Finland amid the uproar and chaos of our political battles and economic devastation.

People of business, the Finns do not like to complain. In his conversation with me, Pertti Salolainen, deputy prime minister and foreign trade minister, was smiling rather than sullen. However, assessing the catastrophic state of trade with our country, he twice emphasized that it is a "very serious blow to us" and that "you have put us in a very difficult position." Salolainen explained: "If you take European countries with a market economy, Finland has lost more from the disintegration of the Soviet Union than any other." The collapse of trade with the Soviet Union is not the only factor in the recession in which our northern neighbor now finds itself, but it is the main factor. Finland has lost a partner, and tens of thousands of Finns have lost their jobs.

Still on the subject of the lost partner, the Finns are alarmed that the environmental danger it poses has not disappeared with it, but, on the contrary, has grown in size. They—much to our envy!—are mad about cleanliness and environmental protection. But the stinking, cyclopean combines "Pechenega-nikel" and "Severonikel" in the north of our country are poisoning Finland's forests and tundra as well as our own with their emissions, which cross the border. This aggression continues despite the promises made two years ago during President Gorbachev's visit to Finland.

This is just one prosaic aspect of the interdependent world of which we talked so romantically—and with perfect truth—when we began perestroyka. You can cut yourself off from your neighbor with a different, more efficient, democratic system or with the aid of visa barriers, which the Finns are now reinforcing against our second-hand dealers, prostitutes, and... mafia. But you cannot move aside physically, geographically, or geopolitically when fate has brought your country to rest against such an enormous neighbor. The world is, alas, interdependent. Quoting data provided by Finnish experts, Salolainen spoke anxiously of the "very dangerous situation" at two nuclear power stations situated between St. Petersburg and Tallinn. The vice premier's fears have been renewed by reports of a recent fire at the Chernobyl Nuclear Power Station.

It was while talking to officials in Helsinki that I first heard the expression: Russia-Soviet Union. This new compound term has been in use since the end of August and has become firmly established. Precisely this word order and with a hyphen: Russia-Soviet Union. Our reality is split as far as they are concerned, because it is unable to stand on its own feet. They would like to adapt to it, give it a rational basis, and somehow hurry it over this semantic and typographical hyphen by bringing together that which does not yet exist in proper unity. They are too tactful to formulate advice, but it is not hard to guess: We like the democratic direction you are taking, but for goodness sake do not drag out the transition from words to action and from demonstrating your newly found wild freedom to clearly redistributing power and getting it to function efficiently....

In Helsinki, I was a guest of the National Coalition Party—which forms part of the government—and its weekly, NYKYPAIVA. Its editor, Lauri Kaira—hospitable, friendly, and with a sense of humor—organized meetings with National Coalition Party leaders. Pertti Salolainen is party chairman. Ilkka Suominen is speaker of the Finnish parliament. Ilkka Kanerva is labor minister and parliamentary leader of the National Coalition Party working group for international affairs. Kimmo Sasi is chairman of the party's parliamentary group.

When Moscow felt it had the right to assess the participants in Finland's political life, the National Coalition Party received bad marks for "conservatism." Those times are gone and Moscow now refrains from any kind of interference. I saw sensible people and heard sensible words. Finland has achieved amazing success: It is one of the top 10 countries—almost one of the top five—with the highest standard of living. The obligatory trappings of a Finnish family's prosperity include a summer house with sauna, a car, and a motor boat or yacht. But the country is now in recession. It is having to freeze or cut wages and pensions, reduce government expenditure, and scale down the apparatus. The general aim is to enhance its competitiveness in Western markets. Without this, Finland does not see a future. The people are dissatisfied, I heard, but we cannot ignore reality and should not try to humor anyone. Finnish politicians are wary of the temptations of populism.

Now, when we are expecting massive aid from the West, Finland cannot make a great contribution because of its own straitened circumstances, but it is trying a new role for itself as a transshipment point. Helsinki is taking account of the fact that the status of the Baltics has changed and that Finland's railroad gauge is the same as ours. It is also considering the history of our close ties, of course, and even the fact that there are 400 brand new railcars ready and waiting—made at our request but not paid for because of a lack of funds.

We are not the only light in the window—and now we are not even the main light. But, having accumulated a wealth of experience and retaining mainly good memories, Finland wants to get on with us, cooperate with us, and be friends with us. Yes, be friends, because, besides business, a lot of liking has built up over the years.

During my meetings in Helsinki, the theme of these notes dawned on me almost immediately: the search for a lost partner. All the people I spoke to are engaged in this search in one way or another. Parliamentary Speaker Ilkka Suominen, who has lost Anatoliy Lukyanov as his partner, asked if and when there is going to be a new chairman of a new Supreme Soviet of the new.... The new what? He would also like to make contact with Ruslan Khasbulatov. He is confused, however, by the fact that Khasbulatov is not chairman but still only acting chairman of the Russian Supreme Soviet.

Finnish Prime Minister Esko Aho did manage to find himself a partner, but not for very long: He met Valentin Pavlov near Kostomuksha 12 days before the coup and 15 days before his partner was moved to solitary confinement. And who is destined to be Foreign Trade Minister Salolainen's partner? After much delay on the Soviet side, V. Doguzhiyev, cochairman of a joint Soviet-Finnish intergovernmental commission on economic cooperation, was finally appointed. That was in June, but in August he ceased to be first deputy chairman of the USSR Cabinet of Ministers and, therefore, chairman of the above commission.

Laughable? Not very—if you think of all the Finnish goods and food we have lost as a result.

Going to the very top in the search for a lost partner, we discover the problems being experienced by President Mauno Koivisto. Even before August, the accords reached with Gorbachev in October 1989 had gone out the window. Now the Finnish president has a choice of two partners: either Mikhail Gorbachev or Boris Yeltsin, and neither is a partner in the full sense of the word. With whom should he do business so that it is really business and not just the semblance of it, and so that the other is not hurt and offended? It is a totally new problem, which our presidents should not offload onto other presidents.

Foreign Minister Paavo Vayrynen (from the Finnish Center Party) told me about one of the impressions he formed during his most recent visit to Moscow in September. He again raised the problem of trade and economic relations between our countries. Boris Pankin told him that these matters are no longer dealt with at Union level. Russian Foreign Minister Andrey Kozyrev apologized, told him that these matters are not yet dealt with at Russian level and advised him to be patient. The desired affirmative is quite unable to squeeze its way between these two negatives: no longer and not yet.

Boris Aristov, Soviet ambassador to Finland, provided a kind of finale. He has a long career behind him: secretary of the Leningrad City CPSU Committee, ambassador to Poland, USSR deputy foreign minister, and USSR foreign trade minister. In his opinion, even communist Poland did not organize its ties with the Soviet Union as comprehensively, precisely, and efficiently as capitalist Finland. Waving his hands with unexpected vehemence, Boris Ivanovich told me the main question he is constantly being asked by Finns: "Which office on which street in Moscow is now making the decisions?"

Aristov was the last USSR foreign trade minister in Soviet history before the ministry itself was abolished. Do you not sometimes wonder, I asked him, whether you could be the last Soviet ambassador to Finland? The thought has crossed his mind, apparently. The ambassador understands that the center of gravity and responsibility in relations with Finland must now shift to Russia, but it must be done thoroughly, which will take time.

How much time? How long is the present period of, essentially, sheer loss going to last before a new period of gain begins in political interstate relations and decentralized economic ties? It goes without saying that the simple principle of switching on electricity does not apply to historical change—you unplug one and plug in another—but this does not absolve of responsibility those involved in the process of change. Otherwise, everything is "razed to the ground—and then...."

Russia-Soviet Union. Facing up to the new realities, the Finns have put the emphasis in the right place. Russia must take up its role more quickly, but also with greater circumspection and greater professionalism. It must involve people in Union structures who are experienced, able, and knowledgeable. One snippet of information is that the Union Foreign Ministry has a Finland department and an administration that includes Finland. Until recently, the Russian Foreign Ministry had just one person responsible for Finland and several other countries, who is impossible to reach on the telephone.

The state of our affairs with our northwestern neighbor illustrates a general imperative: The people who count must set aside vanity and ambition and work to reduce and compress this transitional period, with its "costs" leading up to catastrophe, by means of practical accords and practical action.

Sweden Refuses Entry to Diplomat

PM0511124091 Moscow KOMSOMOLSKAYA PRAVDA in Russian 1 Nov 91 p 2

[By I. Kadulin: "Swedish Wall"]

[Text] In one of his first speeches, the present USSR Foreign Minister Boris Pankin said that the activities of diplomat and intelligence officer are incompatible, and so our intelligence will no longer work under a diplomatic cover. KGB Chairman Vadim Bakatin, who was appointed at the same time as him, soon noted that Pankin was rather hasty with his statement.

Yesterday REUTER reported: On 30 October the Swedish Foreign Ministry refused an entry visa to a Soviet diplomat who intended to come and work in the USSR Embassy in Stockholm. The Swedish Foreign Ministry spokesman did not explain the reasons for this decision. The newspaper SVENSKA DAGBLADET wrote that the Swedish secret police has explained that this diplomat was in fact a KGB colonel and employee of the USSR KGB First Main Directorate (political intelligence) who was to have been in charge of the agents in that country.

It is interesting that in August of this year the Swedes had already deported one of our diplomats from their country for "actions incompatible with official status." As a rule, this formula is used when people are deported for spying. The Swedes know the deeds of this man, but not his name. We managed to find out his name, but we do not want to publish it for ethical reasons.

In accordance with worldwide practice, the Swedish ambassador in Moscow, as well as Sergey Zhuravlev, deputy chief of the USSR Foreign Ministry Second European Administration; Mikhail Skubov, press attache at the Soviet Embassy in Stockholm; and Aleksandr Karbainov, chief of the USSR KGB Public Relations Center, have refused to comment on what happened.

Latin America & Caribbean

Castro, Other Leaders Meet in Cozumel

92UF0142A Moscow PRAVDA in Russian 24 Oct 91 p 4

[Article by P. Bogomolov: "Turning the Valves of Its Oil Imports, Havana Is Confirming Its Capacity for Maneuvering in Both Foreign Policy and International Trade"]

[Text] A working meeting has been held on the Mexican island resort of Cozumel between Cuban leader F. Castro and his Latin American colleagues—the presidents of Mexico, Venezuela, and Colombia. The negotiations were conducted behind closed doors, and it is as yet somewhat early, perhaps, to be talking about their final results. But it is clear today that the dialogue on Cozumel was a very important, unusual event.

According to a REUTER report, the need for the meeting was dictated mainly by the constant reduction in Soviet oil supplies to Cuba, hence the makeup of the participants in the negotiations. They are all, with the exception of F. Castro, leaders of most important oil-producing countries of the Western Hemisphere. Having expressed a readiness to help Havana with their credit and supplies under the conditions of the acute crisis being experienced by Cuba, they are guided by an aspiration to prevent economic chaos on the island and, consequently, reduce the possibility of social upheavals there. "We would not for the world like to see a bloodbath on Cuba," L.F. Jaramillo, the head of Colombian diplomacy, says with the utmost candor, "even if it were to result in the formation of a democratic system."

The meeting on Cozumel, its constructive atmosphere, and, as F. Castro put it, the "good things for Cuba" served up by his Latin American partners will all serve to overcome the regional confinement of the island republic and qualitatively improve its ties to its closest neighbors. The dialogue of the four presidents was a highly instructive lesson also for the United States, which is still endeavoring to impart a continental nature to the blockade of the island. The mere fact of the existence of so complex, but actually palpable, a phenomenon as Latin American solidarity was confirmed in relief.

The most important thing, however, is the fact that Havana's "Cozumel maneuver" quickly confounded the assertions concerning the "ossified invariability" and "fatal dogmatism" of Cuban policy. Just a week ago many newspapers commenting almost in caricature fashion on the results of the Fourth Communist Party of Cuba Congress were predicting for the Antillean republic inevitable and rapid collapse under the conditions of "ideological impasse" and the cutback in Soviet assistance. And? In the wake of the winding down of its military presence in Angola, Ethiopia, and Nicaragua, Havana is now dynamically and, as a whole, successfully changing its external economic priorities also. So is it not a little early to place the final cross on the Cuban regime?

Of course, many people are expecting Cuba to change not only in the international arena but also within the country. On Cozumel, F. Castro heard put to him a number of proposals concerning the need for gradual political liberalization. In response to support on the part of Mexico, Caracas, and Bogota, Havana will have to give serious thought to this. In any event, in the opinion of the Mexican delegation, "Cuba's future will be determined by the Cubans themselves."

The final point. The actual idea of supplementing the exceptionally costly "oil pipeline" across the Atlantic with far cheaper supplies of oil within the Caribbean basin is not, of course, new. This has been written about repeatedly by PRAVDA also, earning insults for itself from highly placed devotees of the purely cost-no-object principles of Soviet-Cuban friendship. Such a plan once almost became a reality, incidentally—it was a question of Cuba obtaining not our oil but that of Venezuela and Spain, and in turn, accepting Soviet tankers in exchange. Alas, the idea did not come off at that time. Washington's interference, our lack of dispatch, and Cuba's "besieged fortress mentality" took their toll.

Times are changing. Life is compelling a return to half-forgotten models and plans, extracting from them all that is most valuable and practicable. The laws of common sense and economic survival are proving stronger than propaganda precepts. It is very good that Cuba's experience is no exception in this respect.

Political & Social

Further Reportage on State Council Proceedings

Leaders Attend Meeting

OW0411153891 Moscow INTERFAX in English 1443 GMT 4 Nov 91

[Transmitted via KYODO]

[Text] The USSR State Council meeting that opened in Moscow on Monday [4 November] is attended by President Ayaz Mutalibov of Azerbaijan, the head of the Belorussian Supreme Soviet Stanislav Shushkevich, the Georgian Prime Minister Vissarion Gugushvili, the Kazakh President Nursultan Nazarbayev, the Kyrghyz President Askar Akayev, the RSFSR [Russian Soviet Federated Socialist Republic] President Boris Yeltsin, the deputy head of the Supreme Soviet of Tajikistan Akbarshoh Iskanderov, the Turkmenian President Saparmurad Niyazov, the Uzbek President Islam Karimov, and the Ukrainian Prime Minister Vitold Fokin.

IF's [INTERFAX] correspondent reports that the head of the Ukrainian Supreme Soviet Leonid Kravchuk is now touring his republic in the framework of the presidential election campaign, and the Armenian President Levon Ter-Petrosyan is attending a session of the Armenian parliament.

Among the officials participating in the State Council session as quests are I. Silayev, A. Volskiy, G. Yavlinskiy, the USSR Interior Minister V. Barannikov, the Foreign Minister B. Pankin, the Defense Minister Y. Shaposhnikov, the Procurator-General N. Trubin, the head of national TV and radio Y. Yakovlev, members of the USSR Academy of Sciences Y. Velikhov and Y. Primakov, the head of the USSR Supreme Court Y. Smolentsev, the Moscow Mayor G. Popov, and the chief of the Inter-Republican Security Service V. Bakatin.

The meeting is attended also by G. Shakhnazarov and A. Yakovlev.

The State Council is expected to discuss the status of the Inter- Republican Economic Committee and approve a resolution of the sovereign republics' prime ministers to scrap nearly 80 national ministries and other government agencies as of November 15. Participants intend to discuss eight draft agreements to be signed within the framework of the inter-republican Treaty of Economic Community.

Ivan Silayev is expected to report to the State Council on the payment of the Soviet Union's external debt.

Gorbachev: 'Limited Time for Action'

LD0411214491 Moscow Central Television First Program Network in Russian 1929 GMT 4 Nov 91

[Unidentified correspondent's report on USSR State Council session in Moscow 4 November]

[Excerpts] [Correspondent] The question of the situation in the country was one of the major issues discussed at the sitting of the State Council. At the opening of the session, President Mikhail Gorbachev said in particular:

[Begin Gorbachev recording] [passage omitted] The question arises: What are we, the politicians, waiting for? Indeed, on the 11th we already should be sitting down to work on the treaty of the Union of sovereign states, for its article-by-article elaboration. I repeat that Comrade Yeltsin, as well as Karimov, Nazarbayev, Shushkevich, and Niyazov, are of the same opinion. Recently, I have been talking to them, as well as to other comrades. I simply mention here those with whom I have had conversations in the last few days.

In general, comrades, I think that we have arrived at the stage when we should realize, as we felt after the coup, that we have very limited time for action. We realize now that if we do not solve the question of statehood it will halt the solution of economic questions. And as a brief item of information which has directly to do with the question under discussion—that is, the question of food—I should say that intensive work is being done, and the situation to date is this: Regarding food-grade wheat, we have enough reserves of this to supply the country in the next few months with the food grain and the products made from it, that is, from the food-grade wheat. Regarding fodder grain, the situation is tense. The situation is tense and this already demands our full attention at this moment. As for imports, here too we should be working more intensively with our partners who, in general, intend to support us in principle during these hard times.

I have formed by decree an operative group—which includes representatives of the Interstate Economic Committee and the republics, our transport and financial circles, and others—on whom the solution of this task depends. Such work must be conducted 24 hours a day, on a permanent basis, and only this way. Great tasks must be solved. In any case, if you and we act precisely in this key, we can insure the implementation of the accord signed and solve the food issue in 1992 at this year's level. I repeat, however, this requires enormous efforts.

On the whole, I must say the following: We have partners in the West who are disposed to cooperate with us, disposed to give us real support at a stage of drastic changes, especially in these forthcoming months. Incidentally, they also have stated their support for the program of measures announced by the Russian Federation's leadership and all this somehow coincides, shows coincidence in the main fundamental matters. This is very important, comrades, but we must solve many things ourselves here in this country in order to move forward confidently. [end recording]

[Correspondent] So what is hampering the process of signing the treaty on economic community by other sovereign republics? This was discussed at the sitting attended by Russian President Boris Yeltsin, Kazakhstan President Nursultan Nazarbayev, Uzbekistan President Islam Karimov, Azerbaijan President Ayaz Mutalibov, Kyrgyzstan President Askar Akayev, Moscow Mayor Gavriil Popov, and others.

In Grigoriy Yavlinskiy's view, such issues as the operating mechanism for a bank union, a securities market, payment of foreign debt, taxation, and budget deficit were the most difficult to harmonize during the preparation of more than 20 accords for the treaty. It will never be possible for individual barter bilateral accords to become a basis for creating a single economic space in such a unique formation as the former union of republics. Ukrainian Prime Minister Vitold Fokin disagreed with this point. The reason the republic has not so far signed the treaty on economic community is that its individual provisions do not agree with the Alma-Ata accords between 12 states as regards, for instance, the wording of the articles on ownership and certain provisions on market relations. Nevertheless, the Ukrainian prime minister confirmed the republic's intention to sign the Treaty on Economic Community within the next two days.

Ivan Silayev made a report at the sitting. He is recommended for the post of chairman of the Interstate Economic Committee. Silayev gave detailed information to the State Council on the structure and staffing of this committee. A final decision on this issue is expected to be adopted at the next sitting of the country's State Council, scheduled for 12 November.

Economic Community Accord Discussed

LD0411200991 Moscow All-Union Radio First Program Radio-1 Network in Russian 1700 GMT 4 Nov 91

[Excerpts] The country's State Council gathered in the Kremlin today. Representatives of 10 republics, excluding Armenia and Moldova, are taking part. This morning the situation in the country was discussed, as well as the drawing up of the agreement on an economic community. The sitting was opened by USSR President Mikhail Sergeyevich Gorbachev. [passage omitted]

The president pointed out that prices will be liberalized any day now. However, measures have still not been taken to stimulate the labor of producers and to protect the needy, and other necessary actions. Gorbachev highly appraised the West's position aimed at rendering assistance to our country in this most difficult period. Touching on the problem of food supplies in the USSR, Gorbachev stressed that if a food transportation and distribution system can soon be organized in the country, then it will be possible to solve the food problem for the next eight months. That was what the president said.

Our correspondent, Vladimir Kiosa, telephoned in a dispatch on how the rest of the State Council's work went.

[Begin Kiosa recording] The country's president then suggested discussing the present state of affairs, but strange as it may seem, none of the members of the State Council wished to speak on this problem. Grigoriy Yavlinskiy was, therefore, given the floor, and talked about the progress in agreements to the economic treaty. Thirteen agreements are now ready, six require further decision. However, according to Yavlinskiy, work on the whole package of documents is constantly being slowed down because of the position of a number of republics that are trying to put purely political aspects into the economic treaty.

President Nazarbayev of Kazakhstan gave a very critical address. He cited specific examples of deviations from the text of the treaty on the part of Armenia, the Ukraine, Azerbaijan, and Moldova, and he declared: What sort of people are we, if we cast doubt on what we have already agreed upon. Nazarbayev demanded that the decision should be made on whether we will, in the final analysis, fulfill the treaty or not.

I regret to say that no heed was paid to Yavlinskiy's desperate appeal—it cannot be described in any other way—for the political decision to be made that will enable economists to work peacefully on the package of agreements. [passage omitted] [end recording]

Yavlinskiy, Fokin, Karimov Speak

LD0411201891 Moscow Radio Rossii Network in Russian 1800 GMT 4 Nov 91

[Text] Speaking at the State Council sitting today, Grigoriy Yavlinskiy called on the republics to clarify the issue of their payment of the Soviet Union's foreign debt, stating that the issue of credit repayment itself should not be called into question. Grigoriy Yavlinskiy dealt in particular with the issue of developing inter-republican agreements on individual areas of cooperation. He noted that when such documents are being developed, several republics put political issues first, issues that cannot be solved in a short period of time.

Speaking at the State Council sitting, Ukrainian Prime Minister Vitold Fokin stated that the republic will sign the union treaty in a day or two. At the same time, he made it clear that the Ukraine intends to give priority to the development of bilateral relations with the former Union republics.

President of Uzbekistan Islam Karimov supported the proposals put forward by Mikhail Gorbachev and Grigoriy Yavlinskiy. He said that all agreements accompanying the economic treaty that has already been prepared should be ratified. He welcomed the determination with which Russia is moving toward reform, but noted at the same time, that a common approach should be worked out on the issue of free prices. Until the economic treaty confirms its strength, there can be no talk whatsoever of a political treaty, he said.

Oleg Lobov, first deputy to the head of the Russian Government, told INTERFAX that all members of the State Council supported the reform program set out by Boris Yeltsin. In his words, Mikhail Gorbachev stressed at the sitting that our Western partners also support it.

Georgian representative Vissarion Gugushvili stated that he is participating in the State Council sitting as an observer.

Yavlinskiy Warns of Complications

LD0411153491 Moscow TASS in English 1519 GMT 4 Nov 91

[By TASS correspondent Nikolay Zheleznov and Ivan Ivanov]

[Text] Moscow November 4 TASS—The preparation for signing of 22 agreements accompanying the Economic Union Treaty has been complicated due to vague positions of some of the treaty signatory- republics, Soviet economics expert Grigory Yavlisnky told the USSR State Council in his ten- minute summary of the latest developments in this field.

The points of differences hardest to settle are associated with the mechanism of the banking union, the functioning of a market of financial instruments, the coordination of foreign debt payments, taxation and the budget deficit.

In some delegations, even at the expert level, the view has come to prevail that the Economic Union Treaty is a mechanism that cannot function. They believe that bilateral agreements being signed between sovereign states will be enough.

These are dangerous illusions, Yavlinskiy said: Separate barter agreements can never provide the basis for a single economic space in such a specific organism as the former Union of Republics.

Ukrainian Premier Vitold Fokin subjected Yavlinskiy's pronouncements to harsh criticism. He said the Ukraine had not signed the Economic Union Treaty for one reason only: Its main provisions are not consistent with what was agreed upon by twelve states in Alma-Ata. In particular, the Ukrainian premier said, Articles 6 and 13 have been distorted, they dealt with mutual obligations of states aimed at preventing unilateral steps in specific fields of activity.

Fokin said some of the treaty articles were at variance with the Vienna International Treaty Convention.

Silayev Reports on IEC Structure

LD0411173491 Moscow TASS International Service in Russian 1635 GMT 4 Nov 91

[by TASS correspondents Vladimir Isachenkov and Ivan Ivanov]

[Text] Moscow, 4 November (TASS)—The USSR State Council today deferred a final decision on the structure and personnel of the Interstate Economic Committee [IEC] until its next sitting, which is to take place on 12 November. Delivering a report at the State Council sitting, Ivan Silayev, who was recomended for the post of IEC chairman at a meeting of heads of government on 1 November, announced that the IEC would be accountable to the economic community's supreme body—the conference of heads of government. The collegium of the committee will be made up of authorized representatives of the treaty signatory states, at the rank of the deputy heads of government of each. All of them, as well as the head of the IEC, will have the right of a deciding vote.

There will be 15 departments in the IEC, combined in five blocks. The largest will be the Department of Macroeconomics, which will partially account for the Union Ministries of Economics and Finance and the Statistics Committee, which are currently in operation.

Ivan Silayev also reported that, from 15 November, all Union ministries currently in existence will cease to function apart from the Ministry of Railways, the Ministry for State Supervision of Work Safety in Industry and Nuclear Power Engineering, and the Ministry of Power Engineering. Some ministries will be transformed into departments of the IEC. The fate of the Ministry of Foreign Affairs and the Ministry of Defense was examined at a closed sitting. News of its results has not yet been made available to journalists.

Economic Committee Status Approved

OW0411185391 Moscow INTERFAX in English 1718 GMT 4 Nov 91

[Following item transmitted via KYODO]

[Text] The USSR State Council has approved the status and structure of the Inter-republican Economic Committee (IREC) suggested by the council of the prime ministers of the sovereign republics, and confirmed the council's decision to scrap nearly 80 Union ministries.

Ivan Silayev's appointment as the IREC head will be confirmed at the next State Council session scheduled for November 12. That session will also hear debates over 9 draft agreements which, after finalization by the experts, are to be concluded within the framework of the Treaty of Economic Community.

Mr. Silayev told IF [INTERFAX] that the State Council's performance had been "quite satisfactory."

Debates behind closed doors have focused on the future of the USSR Ministries of Defense, the Interior and Foreign Affairs which the council of prime ministers recommended to preserve as inter- republican agencies

Agreement on Unified Armed Forces

LD0511043491 Moscow Radio Rossii Network in Russian 0200 GMT 5 Nov 91

[Text] As is known, on 4 November at the State Council session, it was decided to abolish 80 Union ministries, as of 15 November. Thirty-six thousand members of the staff of the ministries' apparatus will be laid off in staff cuts.

On this same day, the USSR State Council examined the issue of the fate of the Union Ministry of Defense behind closed doors with a few people present. Vladimir Lobov, chief of staff of the USSR Armed Forces, stated in an interview with INTERFAX that, in the course of the discussion, an agreement was reached that there will be a unified armed forces in the country. According to him, republican armies will not be set up. The republics will, however, have extensive opportunities to set up national guards. DOSAAF [All-Union Voluntary Society for Assistance to the Army, Air Force, and Navy] structures will be handed over to the republics.

In his turn, Aleksandr Yakovlev, member of the USSR president's political and consultative committee, in an INTERFAX interview said that the status of the USSR Armed Forces will be preserved right up until the signing of the treaty on joint defense. Yakovlev could not specify the specific dates for the signing of this treaty. He found difficulty in commenting on the Ukraine's position with regard to the Union Defense Ministry, having pointed out that Kravchuk, chairman of the Ukrainian Supreme Soviet, is not present, and Fokin, the Ukrainian prime minister, who is attending the session, to all appearances lacks the necessary powers to make a decision.

Aleksandr Yakovlev also said that, after the discussion of the Defense Ministry issue, a very pointed discussion about the fate of the USSR Foreign Ministry lies ahead.

In particular, USSR Foreign Minister Boris Pankin proposes cutting the ministry's staff by 30 percent. In the opinion of Yakovlev, however, it could be reduced by even 40 percent. When I was the ambassador, the staff of my embassy could have been halved without any untoward effect, he noted.

Interior Ministry Reform Approved

OW0411215591 Moscow INTERFAX in English 2010 GMT 4 Nov 91

[Transmitted via KYODO]

[Text] On Monday [4 November] the USSR State Council approved of the USSR Interior Minister's blueprint for the reform of the ministry. The ministry's central administrative staff is cut by 20 percent and is charged with coordinating the republican agencies. Republican ministries will broaden their functions. 230,000 of the 400,000 servicemen in the Interior Ministry's troops will be placed under republican jurisdiction.

Baktin, Others Confirmed

LD0411224391 Moscow Radio Rossii Network in Russian 2100 GMT 4 Nov 91

[Excerpts] Ivan Silayev delivered a report on the structure and personnel of the Interrepublican Economic Committee [IEC] at the State Council. In his words, about 15-20 departments will be set up under the IEC. The Department of Macroeconomics and Finance will be the largest, with 500 staff. Issues of implementing economic reform, finance, entrepreneurship, taxes and prices will be within its brief. Other departments will be staffed by 15 to a maximum of 40 employees. They will have to replace Union ministries which are being abolished from 15 November. [passage omitted]

The State Council also confirmed Vadim Bakatin as the leader of the interrepublican security service, Yevgeniy Primakov as the head of intelligence services, and Ilya Kalinichenko as the commander of border troops.

Foreign Ministry To Be Reduced

AU0511142291 Paris AFP in English 1418 GMT 5 Nov 91

[Text] Moscow, Nov 4 (AFP)—The Soviet Union's executive State Council has decided to slash the country's Foreign Ministry staff by one third and to change the department's name to the External Relations Ministry, the unofficial Russian news agency RIA reported Tuesday [5 November].

Some 3,000 people are currently employed by the central ministry.

RIA said the State Council, which met on Monday [4 November], decided to redeploy the laid-off personnel in foreign ministries of Soviet republics.

The move confirms a statement by Soviet Foreign Minister Boris Pankin Monday who said his ministry would shortly be restructured with the loss of about a third of its employees.

Grachev Gives Briefing on State Council Meet

LD0411161191 Moscow TASS in English 1548 GMT 4 Nov 91

[By TASS correspondents Nikolay Zheleznov and Ivan Ivanov from the Kremlin]

[Text] Moscow November 4 TASS—The Ukraine will sign the Treaty on Economic Union "within two days", Ukrainian Prime Minister Vitold Fokin told today's meeting of the Soviet State Council.

This news was announced by the Soviet president's press secretary Andrey Grachev at an unofficial briefing in the Kremlin during a break in the Soviet State Council's meeting.

Grachev refuted the opinion that the Ukraine, judging by today's critical speech by Vitold Fokin, is capable of "blowing up the treaty".

The press secretary said the meeting of the Soviet State Council is attended by representatives of ten republics, excluding Armenia and Moldavia.

In the morning they considered the current situation in the country and Mikhail Gorbachev made his own half-hour report. Representatives also discussed the elaboration of agreements to the Treaty on Economic Community.

In the afternoon they will examine the following issues: the Interstate Economic Committee, the abolition of some Union ministries and departments, the situation in the Soviet Armed Forces, the Soviet Interior Ministry, the Soviet procurator's office and the reorganization of the Soviet Foreign Ministry.

More on Grachev Briefing

LD0511161691 Moscow TASS International Service in Russian 1510 GMT 5 Nov 91

[By TASS diplomatic correspondents Sergey Petukhov and Leonid Timofeyev]

[Text] Moscow 5 Nov (TASS)—Questions relating to improving and restructuring the Foreign Ministry, the Armed Forces, and the organs of the Ministry of Internal Affairs [MVD] and the Procuracy of the USSR were examined during yesterday's session of the State Council. This was reported today at a briefing at the USSR Foreign Ministry press center by Andrey Grachev, head of the USSR president's press service. He said that agreed and unanimous decisions on these issues were worked out and adopted following prolonged discussion.

Andrey Grachev noted that all members of the State Council had advocated preserving the unified Armed Forces of the country. Moreover, he added, the discussion had concerned implementing and expediting the military reform which is being planned and has already been worked out in broad outline, and which is to affect the look, structure, and size of these armed forces.

During discussion of the question of the structure of the USSR Foreign Ministry and in general of the concept of conducting the foreign policy activity of the union state, Andrey Grachev stated, the members of the State Council advocated a single foreign policy of the reformed union. Regarding the MVD, an agreed approach was worked out for preserving and simultaneously reforming the ministry.

The head of the USSR president's press service reported that the draft union treaty will be examined article by article as one of the main issues at the next session, which is scheduled for 14 November. Preparatory work for this examination is being actively conducted by representatives of the Union republics.

Yavlinskiy Interviewed on Economic Treaty

OW0511011391 Moscow INTERFAX in English 2010 GMT 4 Nov 91

[Transmitted via KYODO]

[Text] Soviet economist Grigoriy Yavlinskiy who is taking part in the session of the State Council, said in an interview with IF [INTERFAX] that work on the draft agreements that are to be signed as part of the Economic Community Treaty is coming to a close. According to Yavlinskiy, it was decided to submit 12 agreements for confirmation by government heads, and another nine will come for approval on November 12.

"I've done everything I can to promote work to cope with the crisis," said Grigoriy Yavlinskiy . "Now everything depends on the republics."

He expressed concern that the ratification process in the republican parliaments may be long-drawn-out and that problems may arise. The possibility of his work as a member of the Interstate Economic Committee depends on whether the republics vill accept the package of the agreements submitted to them.

Mr. Yavlinskiy said in an interviev with IF that the agreements within the framework of the Economic Community Treaty (part of them were approved of by the experts of the International Monetary Fund) may be in place for the ratification in a week.

Structure, Effects of Economic Committee Viewed

PM0511105591 Moscow IZVESTIYA in Russian 4 Nov 91 Union Edition p 1

[V. Romanyuk report: "Economic 'Eight' Pass Sentence on Ministries"]

[Text] In Moscow the heads and plenipotentiary representatives of 12 sovereign republics examined the structure of the Interstate Economic Committee and also discussed its future powers.

As is well-known, the community economic agreement has been signed to date by eight states. However, I. Silayev, acting chairman of the Interstate Economic Committee [IEC], opening the meeting, suggested ignoring any distinction between those who have signed the agreement and those who have not yet done so. Incidentally, we have reported that the meeting participants recommended him for the IEC chairmanship.

Committee member Yu. Gavrilov delivered a report on the structure of the IEC, the principles behind its formation, and its powers. The IEC's future area of activity is strictly delineated by the agreement signed. The experience of the work of EEC institutions has been taken into consideration here. With perhaps one exception: The EEC organs employ 10,000 people, while we intend to have considerably fewer.

By and large the discussion was constructive. V. Kebich, chairman of the Belarus [Belorussia] Council of Ministers, suggested introducing an amendment with regard to the IEC's foreign economic activity, in the belief that it should be confined merely to coordination. The opinion was also voiced that questions of employment and social protection are also the prerogative of the sovereign state. Since 19 documents accompanying the economic agreement have still not been adopted, it was suggested that a provisional statute on the IEC and its structure be endorsed for the time being. I. Silayev expressed his view of these matters.

The following also took part in the discussion: Kazakh Prime Minister S. Tereshchenko; Kyrgyz Prime Minister N. Isanov; Tajik Prime Minister I. Khayeyev; O. Lobov, first deputy chairman of the Russian Council of Ministers; G. Bagratyan, acting chairman of the Armenian Council of Ministers; M. Omanidze, Georgian first deputy prime minister; I. Chebuk, Moldovan deputy prime minister; A. Minchenko, Ukrainian minister of state, and others. They all agreed that the IEC's main task is to set up a single economic space as well as implementing the sovereign states' agreed policy.

The question of abolishing ministries and other central organs of USSR state management was also considered. The debate on the future of various structures continued for quite a long time. Representatives of Union ministries made a last stand, so to speak. It proved possible to transfer some departments from the list of those to be wound up as of 15 November to those that will continue to exist for a transitional period. The USSR State Reserves Administration, in particular, is ranked among the latter.

A sharp debate flared up over the Ministry of Civil Aviation. The following argument was put forward in its defense: If disasters frequently happen with the current, well-oiled mechanism, what will happen if the unified system breaks up into republics? You can certainly only fly out of the Union under the USSR flag—the world community recognizes no other. This ministry too was ranked among the "transitional" bodies...

The USSR Ministry of Culture was easily swatted away, like a fly, and its fate decided: Wind it up! Yet the Customs Committee is to be retained as a single interstate organ. Like the pensions reserve fund. Timid voices were heard in defense of the State Committee for Hydrometeorology as the purveyor of information about the weather. Everyone is interested in it, but it is still not clear who should pay. The VAK [expansion unknown] was wound up quite unanimously as a superfluous body and one with a dubious reputation, moreover. The Goskhran [State Repository of Precious Metals] and its plundered treasures were also discussed. O. Lobov, deputy chairman of the Russian Council of Ministers, said that, with the exception of Russia, no one is replenishing Goskhran's gold reserves. Goskhran and the USSR Finance Ministry itself, to which the former was subordinate, were disposed of without a tear.

There is as yet a hazy view of the new structures from which the collapsed managerial empire will rise again in the form of IEC departments. A. Volskiy made what I consider to be an important remark: The IEC will hardly be a viable organ with executive functions alone—without administrative functions. However, this idea was not developed. Consequently this organ—the rightful heir of the dissolved government—still has to establish itself as the consolidating center in the single economic space.

Gorbachev: Foreign Ministry Cuts 'Unrealistic'

LD0411202291 Moscow Russian Television Network in Russian 1800 GMT 4 Nov 91

[From the "Vesti" newscast]

[Text] Mikhail Gorbachev advocates retaining the Union Foreign Ministry, it was reported by USSR presidential aide Anatoliy Chernyayev. Gorbachev has called the idea of cutting the USSR Foreign Ministry by 90 percent unrealistic.

GRU Captain Comments on Pankin's Remarks

OW0511140991 Moscow INTERFAX in English 1230 GMT 5 Nov 91

[Transmitted via KYODO]

[Text] Soviet military intelligence may be angry at the USSR foreign minister, particularly because of Boris Pankin's intention to reduce the ministry's staff by driving secret agents from the Soviet embassies. A Captain 1st Class from the Main Intelligence Department (GRU) told IF's [INTERFAX] reporter that by making a statement on the matter before the State Council meeting on Monday [4 November], Mr. Pankin had obviously been "fishing for cheap popularity" but endangering national security interests. The GRU officer said that action on the American proposals to remove tactical weapons from the warships might notably complicate the work of Soviet military intelligence.

Pankin Views Reform of Diplomatic Service

LD0411142491 Moscow TASS International Service in Russian 1243 GMT 4 Nov 91

[By TASS diplomatic correspondents Andrey Surzhanskiy and Georgiy Shmelev]

[Text] Moscow, 4 Nov (TASS)—The main issue on the agenda of the collegium of the USSR Foreign Ministry which met today was the reform of the all-Union diplomatic service, including the USSR Foreign Ministry. For the first time representatives of the mass media were also invited to attend. USSR Foreign Minister Boris Pankin, who was in the chair, expounded the basic clauses in a document which, he said, defines the future functions and areas of competency of the USSR foreign minister (the document was submitted to today's sitting of the State Council).

The dynamics of the period which we are living through today and the transformations which have been implemented in the country demand reforms in the country's diplomatic service as well, he said. However, there is no question of "whether the Foreign Ministry is necessary to the country. The problem in the transition period is which policies it should implement and what rights and powers it should possess". "The legal successor of the Union," Boris Pankin noted, "needs a single set of foreign policies in order for the country to continue to play the role of superpower on the world scene, which rightfully belongs to it".

Speaking of the forthcoming reform of the all-Union ministry he said that the proposals which have been prepared are for a one-third reduction in personnel. In his opinion the minimum number of persons required to carry out all the functions of the USSR Foreign Ministry is between 2,000 and 2,500. "On the one hand," said the minister, "we are in favor of reduction, while on the other we want to ensure that republican ministries have skilled diplomats". Pankin acknowledged that the reduction process will not be easy. "There will be certain casualties." At the same time he gave an assurance that highly skilled diplomats will not be out of work. In particular Boris Pankin noted that it takes between 15 and 20 years to train a professional diplomat and "it would be foolish to waste that capital outlay".

Cuts in the diplomatic service will also affect the network of Soviet institutions abroad. At the present stage, former Union republics favor common diplomatic missions that will express their interests, the minister said. Representatives of sovereign republics will be on the staff of existing embassies. The setting up of interest sections is also likely, Pankin stated.

In the future, it is planned that the all-Union Foreign Ministry will be financed from a separate section of the central budget and this is reflected in the document presented to the State Council.

Speaking about the achievements of Soviet diplomacy over the recent period, Pankin cited the breakthrough in Soviet-U.S. relations, the termination of the cold war, Soviet-U.S. initiatives in the field of nuclear arms cuts, the successful resolution of the Cambodian conflict, the Soviet-U.S. proposals for a settlement of the Afghan problem, and the convocation of the Middle East peace conference.

Pankin on Secret Servicemen

OW0411174591 Moscow INTERFAX in English 1532 GMT 4 Nov 91

["Diplomatic Panorama" feature by diplomatic correspondents M. Mayorov and I. Porshnev; transmitted via KYODO]

[Text] Foreign Minister Boris Pankin told a "DP" [Diplomatic Panorama] correspondent today, November 4th, of the necessity to reduce the number of military secret servicemen working in Soviet embassies.

He had insisted earlier that KGB employees no longer work "undercover of the Soviet Foreign Ministry." Then, the minister "softened" his position, and suggested only removing a certain number of secret servicemen "within reason," but not all. Now, it seems that he is beginning with the Secret Service Agency, which is directly subordinate to the Soviet Armed Forces General Staff.

As practice has shown, Soviet Secret Service agents are more often thought of as "persona non grata" and are more likely than others to be sent out of the country where they had been working.

After meeting with colleagues today at the Soviet ministry, Pankin announced his plan for reducing the number of ministry employees by one third and not to one tenth as many employees as are presently working, as the Russian Government would wish. This proposal will now be considered by the Soviet State Council.

Pankin Presides Over Foreign Affairs Meeting

LD0511133691 Moscow TASS in English 1238 GMT 5 Nov 91

[By TASS diplomatic correspondents Andrey Surzhanskiy and Georgiy Shmelev]

[Text] Moscow November 5 TASS—The fifth meeting of the council of the ministers of foreign affairs of the USSR and sovereign republics opened here today, focusing on matters aimed at reorganising the all-Union diplomatic service, following the November 4 decisions of the USSR Council of State, and on some current issues of foreign policy.

The meeting, presided over by USSR Minister of Foreign Affairs Boris Pankin, is being attended by foreign ministers and their representatives from Azerbaijan, Armenia, Belorussia, Kazakhstan, Kirgizia, Moldova, Russia, Tajikistan, Turkmenistan, Uzbekistan and the Ukraine.

Further on Discussion

LD0411215591 Moscow Central Television First Program Network in Russian 1900 GMT 4 Nov 91

[Video report by correspondent A. Melnikov, including recording of remarks by USSR Foreign Minister Boris Pankin—from the "TV Inform" newscast]

[Text] [Announcer] And now a dispatch on the cutbacks in the Union Ministry of Foreign Affairs. This question was extensively discussed at today's sitting of the State Council in the Kremlin.

[Melnikov, standing outside Foreign Ministry building] It is here, in this building, that the foreign policy of our state has developed in recent decades. Many invisible threads tied the USSR Ministry of Foreign Affairs to hundreds of Soviet institutions abroad. Its staff of nearly 4,000 insured secure links with the whole world. Whatever might have been said, the Soviet Union's authority was always great enough. Alas, like any state institution, the USSR Ministry of Foreign Affairs was only a mirror image of our distorted society. That society is now changing and its Foreign Policy Department must change with it.

The collegium of the USSR Ministry of Foreign Affairs today discussed proposals for radically changing the entire structure of the country's diplomatic service, as put forward at the sitting of the State Council. The task of the Council of Ministers of Foreign Affairs which is being set up on a new basis includes coordinating the activities of the ministries of the sovereign republics so that the country will be able to have a single foreign policy. At the same time, it is planned to cut the staff of the Ministry of Foreign Affairs by approximately one-third. Well, that's a difficult decision but not the most painful. After all there has been talk of an 80 per cent reduction. And what can unemployed diplomats do with themselves?

[Pankin] I don't think any diplomat will be unemployed because, after all, in accordance with our proposals the Russian Soviet Federated Socialist Republic Ministry of Foreign Affairs and those of the republics will expand, so there you are.

Foreign Ministry Staff Urge Agreement, Panel

PM0411145591 Moscow IZVESTIYA in Russian 4 Nov 91 Union Edition p 3

[G. Charodeyev report: "Foreign Ministry Personnel's Position"]

[Text] IZVESTIYA's correspondent learned that a meeting of USSR Foreign Ministry personnel adopted an appeal to the Council of Foreign Ministers signed by 267 diplomats. It points out that in conditions where the sovereign republics' foreign ministries are still not strong enough, rational use of all the positive elements that have been accumulated in the center would help to shape and strengthen their service. "Otherwise there will inevitably be a loss of qualified cadres (an exodus has already been recorded) and our country's international ties will be disrupted, which will deal a painful blow to all republics and their partners and cause tremendous political and economic damage."

In this connection Soviet diplomats propose embarking on tallks between all interested sovereign republics in order to conclude forthwith an agreement on the principles for the joint utilization and gradual reorganization of the Union diplomatic service defining the functions of the central departments, settling matters of funding the entire service during the transitional period, and fixing the republic quorum in embassies and missions abroad. Foreign Ministry personnel reckon that as soon as the agreement is signed a special provisional interrepublic committee should be formed under the auspices of the Council of Foreign Ministers to develop and reorganize the Union diplomatic service. The formulation of a legal base for the new diplomatic service should be speeded up as much as possible. They deem it necessary to refrain from steps that may disrupt the normal working of the USSR Foreign Ministry and its foreign missions before the interrepublic agreement is concluded.

'Shock' at Possible Foreign Ministry Demise

PM0411111691 Moscow IZVESTIYA in Russian 2 Nov 91 Union Edition pp 1, 12

[Article by political observer Stanislav Kondrashov: "Earthquake in Smolensk Square?"]

[Text] To passers-by, the skyscraper on Moscow's Smolensk Square looks as unshakable as it has done for the past 40 years. But for many of its inhabitants it collapsed after an earthquake last Monday, when Boris Yeltsin, in his program statement, assigned to the Union Foreign Ministry only the role of "coordinator of the republics' international activity"—with an apparatus approximately one-tenth of the present size. It is reported that the fate of the Union Foreign Ministry, among other matters, will be decided at the next State Council meeting, on Monday 4 November.

It was to the State Council that the Russian proposal on reorganizing the Union Foreign Ministry, mentioned by Yeltsin, was submitted.

On the leadership's seventh floor of the Foreign Ministry skyscraper, the following opinion is also current: It is no use overdramatizing matters, the Russian president's stance was not an ultimatum. And the main decision should be adopted not on the question of manning levels, but on the strategic question: Do we need a common foreign policy, or will each republic, having become an autonomous state, henceforth pursue its own policy?

But the predominant mood is one of shock—in a collective that was already profoundly demoralized. This predominant mood is reflected in a dispatch sent by a group of senior officials to Boris Pankin. In their view the minister chose rather a bad time to concentrate on the task of reconciling the Arabs and Israelis. Pankin should also be present at the State Council, chaired by Mikhail Gorbachev, who was unable to escape from the quagmire of internal affairs even for the duration of his brief trip to Spain and France.

The proposed cuts do not yet apply to the embassies. The Russian leadership does not yet intend to set up its own embassies, with rare exceptions like Bulgaria. As for the central apparatus of the Union Foreign Ministry, its strength, including the auxiliary services (for instance archives, the diplomatic courier service, and the servicing of the diplomatic corps in Moscow), currently stands at some 3,500 people. The RSFSR [Russian Soviet Federated Socialist Republic] Foreign Ministry has 240 people, and a paper has been sent to the Russian leadership proposing that this be doubled as a minimum. If the one is reduced as proposed, and the other is doubled, then the Russian Foreign Ministry will have more people than the Union ministry. When it was set up, for form's sake, in 1944, the personnel numbered 13.

And so to the question of cadres, structures, and policy. On the one hand, since the former center no longer exists, what is the real authority on which that highly necessary state formation, the central diplomatic department, is now maintained? As the folk saying so brutally and despairingly puts it, when they've cut your head off, you don't weep for the loss of your hair.

On the other hand, there is the very valuable human capital that Shevardnadze, who was well acquainted with it, calls the "intellectual center" and a "national asset." I heard one high-ranking inhabitant of the skyscraper on Smolensk Square say this: "As long as it doesn't turn into something like the antialcohol campaign. Diplomats, like grape vines, are easier to cut down than to grow."

Where will the axed diplomats find (or lose) themselves? The RSFSR Foreign Ministry, like other Russian structures, is now declaring that the emphasis is on professionals. "We are not blinkered," Deputy Minister Boris Kolokolov says. "We are far from ideologizing the Russian Foreign Ministry, we are prepared to use experienced personnel." The ministry has a personnel group, the doors are open to valuable workers from the former CPSU Central Committee International Department and to scientific staffers from academic institutions.

There is also, of course, another view, which is expressed cynically and anonymously: You've had your fun, you've traveled and lived abroad, now it's our turn. Previously there were only communists in the diplomatic service, now there will be only non-communists, or anti- or ex-communists. In the emerging new nomenklatura the state's interests yield to personal, selfish interests, which, of course, used to happen all the time with the old nomenklatura.

To return to the beginning of this article, the causes of the earthquake that threatens to wreck the Union Foreign Ministry are not yet entirely clear. An agreement was supposed to have been worked out between the Union, Russian, and other republics' diplomatic departments. Union diplomacy was making room, handing over primarily to the republics the sphere of bilateral relations with other countries, declaring readiness to open interest sections in the embassies, and restricting its own functions to consultative and coordinating functions. It was jointly decided to step up the role of the Council of Foreign Ministers.

Some diplomats, finding themselves, like it or not, specializing more and more in interpreting internal affairs and moves, see in the Russian president's new position some kind of political "hidden agenda" in connection with the general relationship between the disappearing center and the strengthening Russian structures.

Vitaliy Churkin, in recent times the voice of the Union Foreign Ministry, puts forward this suggestion, speaking in his personal capacity: The Russian leadership has decided that "the days of Union foreign policy have gone." "The harsh reality," he stresses, "is that we are crossing the Rubicon, we will have 12 states and 12 foreign policies."

What next? Whether we like it or not, the next thing, in Churkin's opinion, will inevitably be the creation of 12 Armies, 12 Armed Forces. And at the next stage it will not be possible to preserve unity of control of nuclear weapons.

"The greatest historical tragedy of our democracy," this democratically minded diplomat says sadly, "is that it establihsed itself through the disintegration of the unified state."

He was not the first to express this view. But it is worth thinking about it once again on the eve of the State Council discussion of the proposal to reorganize the Union Foreign Ministry.

Yakovlev Comments on Executive Power Tasks

LD0411203191 Moscow TASS in English 1728 GMT 4 Nov 91

[By TASS diplomatic correspondents Sergey Petukhov and Leonid Timofeyev]

[Text] Moscow November 4 TASS—It is now necessary to make actual steps to improve the economic situation in the former Union, otherwise "scoundrels" may profit by the difficulties and bring the country to tragic consequences, the Soviet president's state aide Aleksandr Yakovlev said today, speaking at a meeting of the Rome Movement (the "National Concord" Committee) about urgent tasks of the Soviet executive authorities.

It is the second time that Soviet and foreign Russian writers and public figures gathered together to discuss social and political aspects of the establishment of civil peace in the former Soviet society, as well as international and economic issues. The first meeting of the sort was held in Rome in October, 1990.

The issue of the preservation of a consistent progress of the country along the path of democracy is now acute as never before, noted Yakovlev.

Speaking about reasons hampering the country's development, Academician Yakovlev stressed that "political self-admiration" and incompetence and unpreparedness for democracy of the new executive authorities, impede positive processes.

Attempts to settle a score, kindling of hatred, and sharing of Communist Party property do not contribute to creative activities, pointed out Yakovlev. It is notable that forces, which have recently considered themselves the vanguard of democracy, do not react properly to these facts, said Yakovlev.

The aide called on political leaders to reach concord, in order not to compromise and lose the achievements gained by society in a hard struggle.

KGB Official Interviewed on Russian KGB

IZVESTIYA Interview

PM0411123191 Moscow IZVESTIYA in Russian 1 Nov 91 Union Edition p 1

[Unattributed interview with A.A. Oleynikov, first deputy chairman of the USSR KGB; place and date not given; "How and What USSR KGB Is Sharing With Russian Soviet Federated Socialist Republic KGB"; first paragraph is introduction]

[Text] In May 1991 it was decided to create the Russian KGB. It was also decided that all the committee's territorial organs situated in Russia would switch to the Russian Soviet Federated Socialist Republic [RSFSR] KGB's jurisdiction, but in connection with the August events, the transfer of staffs and premises to Russia has been suspended. How are the two committees sharing property and spheres of influence today? That was the subject of this interview with A. Oleynikov, first deputy chairman of the USSR KGB.

[Oleynikov] The Russian president and the USSR Supreme Soviet pay great attention to the republican KGB, A. Oleynikov believes. That is borne out by the decrees adopted in Russia "on the RSFSR Security Council" and "on the creation of the RSFSR Supreme Soviet Committee for Security" and the president's decree on measures to safeguard state security. The USSR KGB is now handing over to Russia 18,000 staffers to form the central apparatus of the RSFSR KGB and its structures. We are also handing over buildings—the houses at No. 1 and No. 2 Lubyanka Street, with which everyone is familiar, and equipment. At this moment premises are being released and subunits are being transferred.

[IZVESTIYA] If you compare them with the numerical strength of the staffs which will be left in the KGB's central apparatus, are Russia's 18,000 a lot or a little?

[Oleynikov] To have a clear idea of the situation it is better not to judge by "gross output" but by the number of operational workers. We are transferring about one-third of the operational staff to the Russian apparatus, but the complication is that apart from Russia, all republics are laying claim to the central apparatus. They also have a right to the equipment and cadres which belong to the USSR KGB.

[IZVESTIYA] How will the functions of the Union and Russian KGB be divided?

[Oleynikov] The center is assigned the role of coordinator and organizer of the exchange of information while all operational investigation work on the territory of the republic is handed over to Russia; this will be done in the very near future.

[IZVESTIYA] When will the relevant agreement be signed?

[Oleynikov] We will sign an agreement not only between Russia and the central service but also between all republics. Incidentally, such an agreement has already been signed with the Ukraine and Belorussia. Agreements with Tajikistan, Uzbekistan, and Kazakhstan are ready. Work is now being completed on the documents relating to Russia.

ROSSIYSKAYA GAZETA Interview

PM0411164391 Moscow ROSSIYSKAYA GAZETA in Russian 2 Nov 91 First Edition p 7

[Interview with A.A. Oleynikov, first deputy chairman of the USSR KGB, by unidentified TASS correspondent under the general heading "Two Views of Russia's KGB"; place and date of interview not given: "Anatoliy Oleynikov: 'The Problem Is That All Republics Lay Claims Against the Central Apparatus'"]

[Text] [Correspondent] Anatoliy Avvakumovich, who and when adopted the resolution creating Russia's KGB?

[Oleynikov] The decision to create Russia's KGB was adopted in May this year: The decision to transfer all territorial KGB organs under the jurisdiction of Russia's KGB. A central apparatus was subsequently formed on the basis of the KGB apparatus. The leadership personnel—Chairman V. Ivanenko and his deputies V. Podelyakin, S. Pyatakov, and S. Orlov—were appointed primarily from this apparatus. Subsequently, and in connection with the August events, the transfer of personnel and premises to Russia was suspended.

[Correspondent] How is the process of dividing property and spheres of influence, and separating functions really progressing?

[Oleynikov] Both Russia's president and Russia's Supreme Soviet attach major importance to this. This is also indicated by the decrees "On the Russian Soviet Federated Socialist Republic [RSFSR] Security Council," on the creation of the RSFSR Supreme Soviet Security Committee, and then the president's decree on measures to guarantee state security.

[Correspondent] Anatoliy Avvakumovich, has there been any division of personnel, property, or equipment between the Union and Russian structures?

[Oleynikov] We are transferring to them 18,000 staffers to form the Russian KGB's central apparatus and the structures of this apparatus. We are transferring to them buildings, equipment, and blocks No. 1 and 2 at Lubyanka.

[Correspondent] What is the proportion of numerical strength remaining under the Union's central apparatus and that being transferred to Russia's apparatus?

[Oleynikov] The proportion must be derived from the number of operatives. We are transferring some 30-40 percent of operational personnel to Russia's apparatus. All requests by Russia's KGB and the state commission headed by S. Stepashin on the transfer of personnel from the USSR KGB are being met in full. An order will be signed in the very near future. It is necessary to assign the Main Border Troops Directorate, it is necessary to assign the external intelligence. The problem is that, in addition to Russia, all the other republics lay claims against the central apparatus. And they are entitled to claim equipment, cadres, and the division of property which belonged to the committee.

The process of shaping the republics' national security services is quite complex. Moldova, the Ukraine, and Azerbaijan are reorganizing the national security committees. In dealing with the demands they make of us in terms of personnel, technical equipment, facilities, and so on, we must proceed from the fact that the bulk of operational work is in Russia and the Russian committee accounts for 60-65 percent of the total volume of operational work.

In view of the fact that the center is assigned much work in terms of coordination, organization of collaboration, and exchange of information, all operational and investigative work on RSFSR territory will be transferred to Russia. And we will do this in the very near future. Initially, the question was posed thus: Abolish the committee and transfer everything to the republics. As in Russia's case, their share will be determined according to the contribution they have made to the creation of the central apparatus and its maintenance. Now we have reached clear-cut agreement with the republics as to what will be allotted to whom and, naturally, this process will get under way quickly. The question of transferring the operational personnel in the very near future has also been resolved. We have reached agreement on premises, transportation, and technical facilities.

[Correspondent] What have you agreed as regards technical backup?

[Oleynikov] The difficulty is that all technical supplies were centralized. All orders will be fulfilled by technical subdivisions and the Economic Management Directorate [khozyaystvennoye upravleniye]. If Russia is dissatisfied with this in the future, we will resolve the question of assigning this sector autonomously. All this will be built on the basis of agreement. We will conclude an agreement with Russia and will act on this agreement's basis. We will cover the questions of exchange of information, coordination, and performance of joint operations. We will take this on if Russia delegates it to us. We want to take on in full everything that Russia delegates to us, we are prepared to meet all its requirements.

[Correspondent] When will the agreement between Russia and the central service be signed?

[Oleynikov] We will sign an agreement between Russia and the central service and between the republics. Agreements have already been signed with the Ukraine and Belorussia. Agreements with Tajikistan, Uzbekistan, and Kazakhstan are ready, additional work is being done on the agreement with Russia.

Controls on Surveillance, Tapping Increased

PM0511091691 Moscow IZVESTIYA in Russian 31 Oct 91 Union Edition p 3

[Unidentified correspondent report: "Hello, the KGB Is Not Listening In Any More"]

[Text] USSR KGB Chairman Vadim Bakatin has signed the order "On Stepping Up Guarantees for the Observance of the Law and Citizens' Rights and Interests When State Security Organs Are Carrying Out Secret Operational and Technical Measures."

The internal investigation launched by the KGB after the putsch showed that state security organs had been carrying out illegal operations in violation of citizens' constitutional rights and freedoms, interfering in people's private lives, and thereby jeopardizing the inviolability of the individual. The USSR had essentially conducted political surveillance, this IZVESTIYA correspondent was told at the USSR KGB's Public Relations Center.

The document signed by Vadim Bakatin is aimed at putting a stop to violations of the law and human rights. The order stipulates urgent measures to regulate the procedure for carrying out secret operational and technical measures up to and including the adoption of specific relevant legislation and the introduction of amendments to the republics' criminal laws and procedural laws.

The order strictly defines the purpose of tapping telephone conversations or of obtaining information using technical communications channels, searches, examinations, visual surveillance, film, photographic, and video documentation, and monitoring of mail and telegraph messages. **It is permissible to use these measures solely to expose or curtail intelligence activity by foreign special services and to combat organized crime—terrorism, corruption, drugs trafficking, embezzlement on a particularly large scale, smuggling, and illegal currency and banking operations.**

The use of operational and technical measures against private individuals in order to obtain and amass information which does not fall within the purview of state security organs and is not connected with the investigation of the actual circumstances surrounding a specific case is categorically forbidden.

The order forbids the disclosure of information concerning citizens' private lives which has become known to the KGB. However, the possibility is being examined of citizens appealing to and obtaining explanations from officials about the motives behind any restrictions on their rights and any information relating to them personally if its disclosure would not harm state security interests or other individuals.

Republican Leaders To Discuss Foreign Debt

LD0111185391 Moscow TASS in English 1821 GMT 1 Nov 91

[Text] Moscow November 1 TASS—The heads of government of sovereign republics will meet in Kiev, capital of the Ukraine, on November 9 to discuss problems of enacting the memorandum of mutual understanding concerning the debt to foreign creditors of the Soviet Union and its legal successors, TASS learned from official sources.

The decision on this was made today at a meeting of the heads of government of the economic union member-countries.

Official on Importance of Paying National Debt

OW0411180991 Moscow INTERFAX in English 1532 GMT 4 Nov 91

["Diplomatic Panorama" feature by diplomatic correspondents M. Mayorov and I. Porshnev; transmitted via KYODO]

[Text] An economics expert at the Soviet Foreign Ministry told a correspondent from "DP" [Diplomatic Panorama] that even if only one sovereign republic refuses to pay its portion of Soviet foreign debt, this would deprive the republic of further credits and also keep the other republics from receiving credit as well. In his words, this is the meaning of the prinicple of "collective responsibility," to which representatives of all 12 republics recently agreed at a meeting with representatives of the "Big Seven" in Moscow.

The expert remarked that all republics, having signed a memorandum on mutual understanding, have acknowledged their responsibility to pay the Soviet foreign debt. Today if one republic were to state one's intention not to pay, then one would be forgetting one's own fixed legal international liabilities.

The West, the expert stated, has clearly explained that it does not intend to enter bilateral relations with sovereign republics until the entire Soviet debt has been repaid. The expert emphasized that if Azerbaijan or any other republic does not want to service the foreign debt, then this republic is breaking its own word and bringing harm on itself and all of the remaining republics.

TASS Carries Press Review for 4 Nov

LD0411073291 Moscow TASS in English 0657 GMT 4 Nov 91

["Press Review"—TASS headline]

[Text] Moscow November 4 TASS—PRAVDA leads today with a report about the Moscow government's decision to turn down the request from public organizations to hold a November 7 march inside the Garden Ring, in the heart of Moscow.

"So Much For Words, It's Time to Act," is the title of PRAVDA's commentary about the Congress of Russian People's Deputies. "Time will show," the newspaper says, "whether the new monopoly of power is capable of building a new economic and social life based on freedom and human rights."

A report from Chelyabinsk region is about how strikers at the Karabash copper works won the right for their mine to operate under market conditions.

The newspaper notes that the ministry has reversed its previous decision, or rather was forced to do so. The mine was made available for lease to those who work in it and claim the right to exist under market conditions."

Viktor Kozhemyako discusses the problem of "other-thinking": "Yesterday's opposition is today's government. But if it does not have a potent opposition, one uniformity will be replaced by another and that will be all," the newspaper says.

"Freedom, like everything else, has to be learned and not only by the common man but also by those who are at the helm," Kozhemyako says.

PRAVDA publishes a number of photographs depicting last Sunday's Moscow march to mark the 270th anniversary of the end of the Northern war (1700-1721) and the 270th anniversary of the foundation of the Russian Empire.

The team of the USSR State Committee for Public Education—15 republican education ministers who formed a collegium has dispersed. Analyzing the newly-arisen situation, PRAVDA says: "Education will work in mysterious ways unless the governments of sovereign republics meet demands set out by their education ministers."

PRAVDA carries reports about the latest developments in the country's "hot spots of tension." The situation in South Ossetia has come to a head, in Nagorno-Karabakh "there are forces which are not interested in the settlement of the conflict" and the Chechen-Ingush region, "split into several irreconcilable camps is oblivious to its basic problems and given to shooting and holding mass rallies."

The newspaper tells the readers about combat actions in Yugoslavia and comments on the situation at the Middle East peace parley in Madrid.

President Najibollah of Afghanistan says in an interview ahead of the visit to Moscow of a delegation from the so-called Afghan interim government, "our position is that the war must end and lasting peace be established in the country."

For Evening of 4 Nov

LD0411223391 Moscow TASS in English 2225 GMT 4 Nov 91

["Review of Moscow Evening Newspapers"—TASS headline]

[Text] Moscow November 4 TASS—"The State Council...says its last 'excuse me' to the majority of the Union ministries", such is the head-line under which "IZVESTIYA", a Soviet daily, publishes today an article on a new meeting of the USSR State Council which will pay "special attention to the future of the Union Ministry of Internal Affairs, Procurator's Office and the USSR Ministry of Defence". State Council members will also consider the future of the USSR Ministry of Foreign Affairs as a separate question.

"According to experts these ministries will be retained as inter-state bodies. It is not ruled out that the customhouse will also be maintained as an inter-state body. The future of such ministries as the Ministry of the Merchant Marine, Civil Aviation, Communications and others, seems to last only for a transitional period", the newspaper writes.

"IZVESTIYA" in its comments on the results of the 5th Russian Congress of People's Deputies, calls it 'historical', repeating the words of Ruslan Khasbulatov [chairman of the Russian Supreme Soviet].

"The Congress supported 'the declaration on the resolute intentions' of President Boris Yeltsin, and the chorus, earlier calling for non-admission of 'dictature of Yeltsin', broke down into individual cries from microphones", I. Yelistratov, "IZVESTIYA" parliamentary correspondent says, while seeing in it one of the major results of the Congress. The paper considers "very alarming" the fact that the Congress voted against purchase and sale of land.

"IZVESTIYA" informs that the "Russian Gold" joint-stock company undertakes to increase mining of gold by many times without spending a single state kopeck. The company headed by Vadim Tumanov, a founder of Gould prospecting movement, unites banking and industrial capital totalling 500 million rubles.

"Applications from trade organisations for 1,900 tons of bread as of November 3 have been met", "VECHERNYAYA MOSKVA" (EVENING MOSCOW) correspondent reported from the operation headquarters meeting passed at the Moscow city hall. 176 train loads of sugar came to the Soviet capital. In November Moscow expects to obtain 122,000 tons of sugar from the Ukraine, 27,000 tons of sugar from Russia.

Ambassador of the Mongolian People's Republic to the USSR Nyamyn Mishigdorzh makes comments on "white spots" in the history of Soviet-Mongolian relations, "IZVESTIYA" newspaper writes.

"VECHERNYAYA MOSKVA" tells its readers about the Moscow International University. The best professors from Europe and America will do lecturing in English there. The university will train specialists in the field of business, finance, law and psychology.

"UCHITELSKAYA GAZETA" (TEACHER'S NEWSPAPER), a permanent press monopolist in the field of pedagogics, is facing now a new competitor known under the name of "DOZHIVYOM DO PONEDELNIKA" (LET US LIVE TILL MONDAY), a new weekly edition, reports "VECHERNYAYA MOSKVA".

TASS Carries Press Review for 5 Nov

LD0511084391 Moscow TASS in English 0716 GMT 5 Nov 91

["Press Review"—TASS headline]

[Text] Moscow November 5 TASS—Newspapers report a meeting of the USSR Council of State in the Kremlin on Monday [4 November]. As President Mikhail Gorbachev said in his opening remarks at the council's meeting, the current state of affairs has become the principal item on the meeting's agenda.

The president said the country is in a critical situation. "We have irresponsibly managed" the post-coup political capital. Hopes arose after the coup that we would be able to master the situation, take the road of reforms and prevent a break-up of the union. But this did not happen," he emphasised.

Gorbachev upheld the republican reforms programme which was put forward by Russia's President Boris Yeltsin last week.

KOMSOMOLSKAYA PRAVDA reports that after the State Council's meeting it will be announced that the Ukraine, Moldavia and Azerbaijan join the Economic Union Treaty. " The press continues to comment on the reforms programme put forward by Yeltsin. PRAVDA focuses on one of the aspects of the programme—the liberalisation of prices.

The newspaper describes the "freeing"" of prices as a plunge into poverty. It is well known to everyone what was the outcome of the previous price rise because shop shelves are empty. PRAVDA maintains that the liberalisation of prices would aggravate the economic situation still further and would by no means promote an economic recovery.

"It is possible to enter a market economy only in a civilised manner, as we now say, through a stage-by-stage rigid state regulation of transitional processes," PRAVDA points out.

Aduard Volodin, news analyst of SOVETSKAYA ROSSIYA, gives due credit to the resolve of President Yeltsin, referring to his economic programme as "the right step". While pointing out the necessity and timeliness of these steps by the Russian leader, the publicist points out that a weak point of the programme is in the fact that the politician adopts an abstract theoretical model, which does not take into account social, political, national, cultural, historical and demographic factors, then uses this product of theorising as the basis for his politico-economic doctrine.

Vasily Selyunin, a prominent publicist and economist, believes that Yeltsin's market-oriented programme "will work if it is implemented through vigorous efforts". Selyunin told PRAVDA that Yeltsin's remark that it is possible to stabilise the economic situation in the country by the autumn of next year "is close to the truth".

One of the main complexities in implementing this programme is that the rouble "has been lost as the measure of value", Selyunin said. He is against renouncing the introduction of Russia's "own" money at a time when the rouble zone is shrinking and national currencies are being introduced. "This would mean a delay in implementing reforms which would be doomed without reliable money," Selyunin points out.

NEZAVISEMAYA GAZETA (Independent Gazette) asks whether Yeltsin is prepared to implement the economic programme which he proclaimed. A temporary delay is being observed in his actions, Dmitriy Ostalskiy writes in the newspaper. This has been caused by "political struggle that has been launched around Yeltsin and over key positions in the new leadership".

Who will make use of free prices? TRUD queries. Vladimir Kuzmishchev, the newspaper's news analyst, in an article headlined "An Undeclared War", examines the Soviet Union's pricing policy.

Free prices will help the "state sector to keep afloat, he writes. "With our monopolism remaining intact, any state farm or a factory that secretly jacked up prices before will now have a free hand and become a millionaire quite easy without changing anything in the production process and even reducing the volume of output and neglecting quality", Kuzmishchev writes.

In SOVETSKAYA ROSSIYA, Nikolay Malyshev, chairman of the Russian Federation's State Committee for Science and Higher School, examines the problems of Russian science that proved defenceless on the threshold of a market economy.

Science in Russia is now in the position of a poor relative, Malyshev believes. The government and the president should promote the drawing up of major research programmes of strategic importance. The state should have a mechanism for investments in major areas of research. He thinks that funds should be allocated for specific research, "not for lists of the staff of a research institution".

The state committee chief believes that in order to raise Russian science to a proper level it is essential to furnish a legislative basis, on the strength of which the individual would be managed his or her intellectual property as he or she deems fit.

Vladimir Utkin, general designer of space rocket technology, conveyed to KRASNAYA ZVEZDA (Red Star) his concern over the future of Soviet cosmonautics. He is of the opinion that Soviet cosmonautics is in need of a single centre that will unite all space research-oriented enterprises of the country. He said that the general director of the Energiya amalgamation has proclaimed the space station Mir to be the property of the work collective who had created it.

Major-General G. Bochayev, a departmental "chief at the Soviet Defence Ministry, describes in KRASNAYA ZVEZDA a reform of the drafting and manning system in the Soviet Armed Forces. This reform is part of an overall radical military reform, he added.

Bochayev said the Defence Ministry had submitted proposals to the legislative bodies of the country for consideration to reform the armed forces drafting and manning system. Some of the proposals will be implemented during the autumn draft for active military duty, he said.

The Independent Gazette, on the strength of an analysis of facts, supposes that missing Soviet journalists Nogin and Kurennoy, most probably, perished. The newspaper writes that Yugoslav Army interfered with Soviet rescue personnel's search for the two missing journalists.

Economic

Tax Ceiling on Enterprise Profits Proposed

LD0411234391 Moscow Radio Rossii Network in Russian 2100 GMT 4 Nov 91

[Text] Grigoriy Yavlinskiy, deputy chairman of the Committee for the Operational Management of the

USSR National Economy, has signed a document in which he recommends that the sovereign republics adopt a set of measures to create favorable conditions for the development of private initiative and entrepreneurship. In particular, he recommends that the tax on profits of enterprises be set at not more than 25%. He also proposes the abolishment of taxes on exports and imports and the preservation of only customs duties.

Yavlinskiy Forecasts Stability in 18 Months

LD0411095891 Moscow TASS in English 0921 GMT 4 Nov 91

[Text] Moscow November 4 TASS—Soviet economics expert Grigory Yavlinskiy is confident the country's economy can be normalized only through an economic union of former Soviet republics.

He says in the BUSINESS WORLD magazine a stable economic union of sovereign republics is needed to provide enough food, make efficient use of its rich resources and abate international tension instead of increasing it.

The Economic Union Treaty, Yavlinskiy says, has this as its main objective.

The treaty is an integral document and cannot be applied selectively, he stresses.

If we display literacy in laying down the principles of the Union, certain normalization of the economy, the first results of stabilization will be obtained in twelve to eighteen months, Yavlinskiy maintains.

Further on Reaction to Price Liberalization

Weekly Predicts Price Increases

LD0411171491 Moscow TASS International Service in Russian 1509 GMT 4 Nov 91

[Text] Moscow, 4 November (TASS)—After the liberalization of prices sugar, potatoes, and vegetables will undergo the largest price increase, the KOMMERSANT weekly writes today, citing experts' forecasts. The prices of these products may increase five-fold in comparison to the current price. The prices of meat, butter and milk will increase on average 2.6 times, clothing two-fold, footwear 3.5-4 times, hardware and furniture 3.2-3.7 times, and automobiles more than 4 times.

The minimum subsistence level will be 680 rubles per person, KOMMERSANT' notes.

No 'Recipe for Survival'

PM0411153091 Moscow PRAVDA in Russian 30 Oct 91 p 2

[Article by Gennadiy Yastrebtsov: "Where Is the Recipe for Survival? Even Free Prices Are Hardly Likely To Increase Our Freedom, When Debts Are Like a Deadweight, Dragging Us Down"]

[Text] There are only two months to go before the end of the year. It is too early to sum up the economic results, of course, but even now it is apparent that they are extremely worrying. All spheres of production are in crisis and the financial system is on the brink of collapse. Cash to the value of 130-140 billion rubles [R] will be issued this year in the country as a whole. Compare that with 1990, when "only" R28 billion were issued.

According to our financial experts' forecasts, the deficit of the USSR budget system is now approaching R300 billion. This sum includes a Union budget deficit of R200 billion and the republics' aggregate budget deficit of around R100 billion.

Production is in disarray and economic links that were decades in the making have been broken to please the sovereign entities. Economists estimate that the breakdown of mutual deliveries in the country as a whole has cost R36 billion.

Unusual measures are needed in these extraordinary conditions, not just to provide for life, but, frankly, to ensure survival. What is being proposed? As Russian President B. Yeltsin said at the Congress of Russian Soviet Federated Socialist Republic [RSFSR] People's Deputies, free prices must be a means of increasing production. According to him, the universal switch to market prices is a painful, enforced, but necessary measure. It will be worse for everyone for approximately six months, then prices will fall and the consumer market will be packed with goods...

If everything were to run smoothly. But I doubt whether free prices will lead us to a better life, and improve the existence of millions and tens of millions of our fellow citizens who are already below the poverty line, in six months or even in a year.

As well as production in disarray, we have enormous foreign debts. We are not alone in having foreign debts, of course. Many very prosperous states are living in debt. A. Volskiy, president of the USSR Science and Industry Union, confirms this: We owe $65-70 billion, while other countries owe us $90 billion. Is this a consolation? It is not very consoling, since the debtors are in no hurry at all to pay us the money.

What about us? There was a two-day meeting in Moscow between the deputy finance ministers of the seven leading capitalist countries and the government heads of the 12 republics of what is now our former Union. What they discussed was questions of the development of foreign economic links, including the problem of foreign debt payments.

It is this that particularly worries the Western partners. When the Union existed it was clear who was responsible. Now the single state has been replaced by a number of sovereign republics. Do they agree to pay on the dot? Do they have the requisite funds? Everyone is looking hopefully to Russia—does it intend to take over foreign transactions from the USSR? But what about the others?

Unfortunately, journalists were not invited to the meeting with the "seven's" financial ministers. But a member of the entourage of Interrepublic Economic Committee Chairman I. Silayev (the heads of the financial departments of the seven leading capitalist countries also met with him) told us that there was no unanimity among the republic leaders. While expressing a general willingness to bear some responsibility for the USSR's obligations, the majority were in no hurry to take specific steps in that area. Politics again took precedence over economics. But during the meeting the participants did formulate a common position on the question of foreign debt payments.

What can this do specificially for our country? New loans and food aid this winter? But will it go straight to the people who will be pushed onto the lowest rung of the social ladder by free prices?

We have become accustomed to pinning our hopes on the West, to praying to the all-powerful dollar. Now the Russian economist A. Belyayev, who lives in Austria, believes that we must stop our fetish for "greenbacks" and be bolder about getting the ruble quoted on the international exchange. So it is weak at the moment. But a country with a wealth of natural resources is not going to be seeking charity from the West forever. States and firms and corporations wishing to buy goods or raw materials from the Soviet Union, A. Belyayev believes, must pay in rubles, and to get them they will have to sell all the things the USSR, or rather, the new economic community of sovereign republics, needs...

A controversial statement? Who can tell... One thing is for sure: The time has come for nontraditional solutions. It is necessary to seek and find ways of escaping the humiliating status of economic outsider that will not destroy the country for good, but will enable our people just to have a normal life, instead of festering in poverty and having to fight for survival every day.

Rich-Poor Division To Accelerate

PM0511120091 Moscow Central Television First Program Network in Russian 2249 GMT 3 Nov 91

[From the "Television News Service" newscast: Report with commentary by Petr Fil]

[Text] [Unidentified correspondent] Excuse me, what do you think of the idea of price liberalization?

[First unidentified man] I am against price liberalization. They will bring us nothing but poverty.

[Fil] The feverish and so far unsuccessful search for ways to improve working people's lives continues. Only it's being conducted in the same way as before. Another option is on the way—Russian price reform. The Yeltsin government prefers to call this "letting prices float." But it doesn't take a genius to realize that prices will float up rather than down. This has already happened. Our infamous ex-premiers Ryzhkov and Pavlov saw price rises as a universal panacea. This led to a drop in living standards. It's hard to see the connection between price rises and goods appearing on the shelves—in other words, everything we don't have and aren't likely to get anytime soon will become more expensive. Admittedly, some democratic newspapers have welcomed the first attempts to let prices float—such as at the famous Tver and Novyy Arbat food stores in Moscow. Chicken there costs 25 rubles [R]. You can even buy salmon in these stores—and probably without standing in line—it's R240 a kilo. One cannot help thinking that such experiments will merely accelerate the division of society into rich and poor.

[Second unidentified man] There can't be any question of price liberalization! What is price liberalization to rich people? They couldn't care less!

[Fil] Most probably a new kind of division will soon emerge, because the sovereign republics—Russia included—are planning to issue their own money. The emergence of national currencies will most likely undermine the already shaky economic ties between the republics.

Official Predicts Hyperinflation

PM0511142291 Moscow KRASNAYA ZVEZDA in Russian 2 Nov 91 First Edition p 2

[Report from "One-Line Telegrams" column "Based on Reports From TASS, RIA, and Our Correspondents": "Free Prices Could Now Lead to Hyperinflation, State Committee for Statistics Representative Believes"]

[Text] "If preliminary privatization, destatization, and so on are not carried out price liberalization will first of all lead to price hikes and then to hyperinflation," Igor Pogosov, USSR State Committee for Statistics chairman, told a RIA correspondent. "The problem is how to ensure that competition exerts pressure on prices and does not let them increase. In shortage conditions price liberalization will lead to the people's 'snapping up' everything in the stores. It seems to me," Pogosov added, "that in the first stage of price liberalization we will need a large quantity of imported goods."

Silayev Meets Metallurgical Representatives

LD0311111191 Moscow TASS International Service in Russian 1806 GMT 2 Nov 91

[By TASS correspondent Aleksandr Ignatyev]

[Text] Moscow, 2 Nov (TASS)—Ivan Silayev, head of the USSR Committee for the Operational Management of the National Economy, today discussed with representatives of metallurgical enterprises problems relating to the survival of the industry's enterprises under market conditions.

It was emphasized at the meeting that without state support the industry will not be able to survive under market conditions. It is already necessary to double the output of rolled metal simply to satisfy the urgent requirements of metallurgists for bartering at unstable prices. At the same time, output production is falling through the shortage of coke and interruptions in the deliveries of raw materials. The country is forced to purchase an enormous amount of pipes for hard currency at a time, for instance, when capacities are standing idle at Taganrog.

It was noted that many plants need to be technically re-equipped soon. However, neither the enterprises nor the state now have funds for these purposes.

In I. Silayev's view a solution of these problems lies along the path of a more extensive involvement of the capacities of foreign partners, the creation of joint enterprises, and the marketing of some manufactured output in exchange for equipment.

Agriculture

Statistics Indicate Famine Not 'Inevitable'

PM3010124491 Moscow KOMSOMOLSKAYA PRAVDA in Russian 30 Oct 91 p 1

[Unattributed statistical report, plus commentary by A. Yemelyanov, USSR people's deputy and V.I. Lenin All-Union Academy of Agricultural Sciences academician: "The Battle for the Harvest Always Includes Plans for Casualties"]

[Text] **Statistics**

According to the latest figures, the harvesting of grain and pulse crops in the country has been virtually completed. Some 156.3 million tonnes of grain has been threshed. Last year the figure was 217.8 million tonnes. The average yield is 16.5 quintals per hectare, which is 5.5 quintals below last year's level.

Some 38.5 million tonnes of grain has been purchased for state resources, or 50 percent of the state order, which was fulfilled by only 11 oblasts in the Russian Federation, six oblasts in Belarus [Belorussia], and four oblasts in Kazakhstan.

The potato harvest has been completed. The yield was 99 quintals per hectare, which is six quintals less than in 1990. The sugar beet harvest is nearing completion. Some 47 million tonnes of roots have been procured. Some 2.636 million tonnes of sugar has been produced.

Since the beginning of the season 6.707 million tonnes of raw cotton has been procured (90 percent of the plan).

Some 256,700 tonnes of flax fiber has been purchased. Last year it was 170,000 tonnes.

The quantity of coarse and succulent feed laid in, converted into feed units, is 107.3 million tonnes, which is 21 million tonnes less than last year.

Commentary

The figures in themselves offer no grounds for saying that a famine is inevitable this winter. True, the harvest is lower than last year, especially in the case of grain. But in the main it is not bad. Let us not forget that last summer, nature gave us an unprecedented harvest. And nonetheless we scoured the world to buy grain and other products and collected ignominious and humiliating humanitarian aid. In 1990 it was as if the Almighty had deliberately given us a harvest like that to expose the uselessness of our system.

In good years, losses of produce increase to an incredible extent. The system of storage, transportation, and processing is not yet capable of "swallowing" everything. So losses are great even in ordinary years, and even greater in years when the harvest is good. This means that this year's level could actually turn out to be not much lower than last year's. Let us not forget that the weather was good throughout the fall, which is extremely important for the quality of produce and its perishability.

What can and must be done to ensure that the theoretical possibility of famine does not become a reality?

Effective incentives are needed to encourage kolkhozes and sovkhozes to sell food to the state. At the moment they are holding back grain, and other produce too, without even fulfilling the food tax and the state order. Issuing commands is no use here. The increase in prices is not helping. The farms cannot buy the resources they need with their devalued rubles. So they are forced to hold back food for barter deals. The industrialists act like monopolists. The peasants have no one to turn to, no choice. Therefore, representatives of industry dictate the ratios that suit them for exchanges in kind. It is necessary to quickly find opportunities for allocating resources to kolkhozes and sovkhozes in exchange for food. You may ask, where should these resources be taken from? From other sectors, and in part from the city dwellers, and they should not feel aggrieved about it. For instance, additional quotas of cars and consumer goods should be allocated for these purposes.

The collapse of the food market is largely due to the breaking of economic ties between republics and regions. Traditional deliveries are being broken off and new ties have not yet been established. Therefore the priority task for the leaders of states (republics) is to seek contacts, to look for compromises and consensus, so as not to exacerbate the situation. Food imports and humanitarian aid are inevitable. But everything possible must be done to ensure that the smallest possible proportion of this aid gets stolen.

It must be taken into account that food prices are rising. And food will become simply unaffordable for some population categories. Therefore it is high time to think about organizing soup kitchens and other means of providing free or concessionary food to pensioners, especially those living on their own.

At the same time, there must be a radical restructuring of the infrastructure, to drastically reduce food losses. This will make it possible to minimize large-scale food imports. Over the last 10 years, $20-23 billion a year has been spent on this. But how can we explain the paradoxical situation that has become the norm? In exchange for imported grain and other food, every year we export masses of petroleum products. And meanwhile, at our busiest times, combines, tractors, and other equipment are standing idle because of the shortage of fuel! The conditions must be created right now for the development of a new system in the countryside, making it possible to mold people who truly care about the land.

Grain, Vegetable Harvest Figures Decrease

LD0411122891 Moscow TASS International Service in Russian 1115 GMT 4 Nov 91

[By TASS commentator Aleksey Filatov]

[Text] Moscow, 4 Nov (TASS)—Hundreds of thousands of hectares of grain crops have been left unharvested in various parts of the Soviet Union this year. In the USSR as a whole, 157 million tonnes of grain crops were threshed during the harvest. This is almost 62 million tonnes less than in 1990. After taking account of returned borrowings, 39.1 million tonnes of grain have been handed over to state reserves. This is 51 percent of the state order or 24 percent of the total amount of grain threshed. For comparison's sake, it should be recalled that the state procured 65.8 million tonnes of grain last year. Farms fulfilled this year's state order in only 15 oblasts and republics of the Russian Soviet Federated Socialist Republic, six oblasts of the Ukraine, and four oblasts of Belarus [Belorussia].

According to information received up to the end of October, about 500,000 hectares of grain have been left unharvested in the country as a whole. This includes 37,000 hectares in Irkutsk Oblast, 88,000 hectares in Chita Oblast, 43,000 hectares in the Buryat Soviet Socialist Republic, and 20,000 hectares in Tuva. Since temperatures fell sharply and snow fell in these oblasts and republics of eastern Siberia at the end of last week, this grain can be considered lost.

The harvest of sugar beets and vegetables is drawing to a close. Some 51 million tonnes of sugar beets have been procured. This is 14.5 million tonnes less than last year. Some 10.2 million tonnes of vegetables have been procured. This is 78 percent of the total for last year or 2.6 million tonnes less than last year.

Agricultural Production Profitibility Declines

OW0411040691 Moscow INTERFAX in English 2014 GMT 3 Nov 91

[From "Business Report"; transmitted via KYODO]

[Text] Experts calculate that the profitability of agricultural production in the USSR has declined this year from last year's record level of 42%. Nevertheless, at 32%, it still remains rather high.

This drop in profitability is, in part, the result of a cut back in the volume of production (which for January to September of 1991 was 12% down from 1990). But other factors also play a role. The nation's farms are suffering from an unfavorable movement in wholesale prices—during the first half of this year the index of prices for agricultural products rose to 156%, while for industrial goods it attained 183%. Production costs for agriculture have also increased: not only have equipment and technology become more expensive, but labor costs have also risen.

Furthermore, less equipment and technology can be furnished to the kolkhozes and sovkhozes. As a result, farms are cutting back on social welfare programs, plans for road building and so forth.... Faced with galloping inflation and a total deficit of goods, farm managers are increasingly coming to the conclusion that expanding production levels or even adhering to the present level of output would not offer any economic advantage.

Agricultural Developments for 27 Oct-1 Nov

LD0211052191

[Editorial Report] The following is a compilation of reports on agricultural developments in the USSR from 27 October to 1 November. Source and GMT time of broadcast are given in parentheses at the end of each item.

27 October-29 October

No fileworthy items monitored.

30 October

The Central Asian Republic of Uzbekistan has taken in a rather good cotton harvest. According to statistical reports, it amounts to 4.5 million tonnes. (Moscow Radio Moscow World Service in English 0900)

According to statistical data, harvesting work is virtually complete in the country and more than 156 million tonnes of grain have been gathered. This is much lower than last year's record high crop. (Moscow All-Union Radio Mayak Network in Russian, 1400)

31 October

Field work has been nearly completed in Kazakhstan. The plan for ploughing up winter fallows has been fulfilled with the optimal agrotechnical timeframe. Winter crops occupy 2.5 million hectares. (Moscow All-Union Radio Mayak Network in Russian, 1300)

Sowing of winter crops has been completed on an area of almost 250,000 hectares in Kyrgyzstan, which is 95 percent of the task.

Ploughing has been carried out on an area of 180,000 hectares, which is 57 percent of the target. (Bishkek Radio Bishkek Network in Russian, 1400)

1 November

No fileworthy items monitored.

Scientific

Gorbachev Orders Space Facility Investigated

LD2510205191 Moscow Radio Moscow World Service in English 1700 GMT 25 Oct 91

[Text] President Gorbachev has ordered investigations into a newspaper report charging the defense and radio electronics industry with negligence of duty while implementing a project for highly sensitive space monitoring antennae in the Soviet Far East. All of its costly equipment containing precious metals had been looted, after the complex was left unguarded because of being obsolete. Later it was gutted down.

Space Authorities Deny Rumored U.S. Deal

PM0411171591 Moscow KOMSOMOLSKAYA PRAVDA in Russian 2 Nov 91 p 2

[D. Babich report: "'Mir' to the White House?"]

[Text] According to French weekly L'EXPRESS, representatives of the Soviet "space leadership" have unofficially approached Americans with an offer to sell or lease several key elements of the Soviet space program.

Powerful engines, a satellite control center, the "Soyuz" spaceship, and even the "Mir-2" orbital station which is to replace the "Mir-1" station currently in operation are all included on the list of items for sale.

The Soviet "Mir-2" station could, if refitted, replace the U.S. "Freedom" orbital station, which is currently in financial difficulties. According to the French magazine, the launch cost of "Mir" has been set at $600-700 million. As for "Soyuz," it is intended to be used, where necessary, to bring astronauts back to earth from U.S. space stations in an emergency.

REUTER reported 30 October that NASA has refused to buy "Mir," preferring to develop its own "Freedom" system.

We put our questions about this nonexistent deal to Glavkosmos [Main Administration for the Creation and Utilization of Space Technology] and to the "Energiya" Science and Production Association that developed "Mir." Glavkosmos refused to comment on the situation, saying that if it was a question of any deals with the Americans, it was only a question of joint use of Soviet complexes. Yet they rightly added that it would look very bad to sell things that have been developed with the people's money. The "Energiya" Science and Production Association announced that nothing had been sold to the Americans and that everything indicates that Glavkosmos leaked incorrect information.

Glavkosmos and the "Energiya" Science and Production Association have always been considered among the country's most secret organizations. Therefore their leaders' belated denials seem quite strange: It looks as though U.S. congressmen and NASA have seriously discussed a deal that was "never proposed." Why is that?

'Instability' Causes Brazil To Drop Contract

LD0211135491 Moscow Radio Rossii Network in Russian 2100 GMT 30 Oct 91

[Excerpt] A report from the RIA. Due to the hazy political future of the former Soviet republics, Brazil has declined to conclude a contract with Glavkosmos to launch its first artificial Earth satellite. The contract, worth over $30 million, would have been advantageous. This was reported by Edson Machado, secretary of science and technology of the Brazilian Government. He stressed that the possibility of obtaining Soviet space technology and the launching of a satellite by a Soviet rocket were very attractive. However, taking account of the USSR's political instability, the Brazilians switched to the U.S. firm Orbital Corporation. [passage omitted]

Mir Cosmonauts Study Space for Distant X-Rays

LD2910142991 Moscow TASS in English 1150 GMT 29 Oct 91

[Text] Moscow October 29 TASS—Soviet cosmonauts Aleksandr Volkov and Sergey Krikalev will stage a series of astrophysical observations from the Mir space station today in search for galactic and extra-galactic X-ray sources, the space control mission has announced.

Under a geophysical research plan, a land surface photography series has been performed, using high definition cameras Priroda-5 and KAP-350.

The crew is also conducting medical experiments using scientific equipment developed by Austrian specialists to measure the effects of weightlessness on the cosmonauts' eyesight and vestibular system.

Another experiment, Diagramma, is designed to measure atmospheric characteristics around the space station.

Military

Far East Commander Says Divisions To Be Cut

LD0411204191 Moscow Radio Rossii Network in Russian 1800 GMT 4 Nov 91

[Text] Colonel General Viktor Novozhilov, commander of the Far East Military District troops, has departed for Seoul. He is to take part in an international conference on problems of security in the countries of the Asia-Pacific region.

Viktor Novozhilov informed RIA that the report in KOMMERSANT about the elimination of the Far East Military District is not true. The number of divisions, however, will be cut by two-thirds. This will be discussed at the upcoming conference in Seoul.

General Novozhilov confirmed the report leaked in the press about a major new initiative on strengthening security in the countries of the Asia-Pacific region, but refused to give additional information. He merely confirmed that the initiative has been agreed with Russian President Boris Yeltsin and he stated that it would produce a bombshell effect.

Defense Ministry Aide on Recruitment Changes

PM0511090391 Moscow KRASNAYA ZVEZDA in Russian 26 Oct 91 First Edition p2

[Major A. Yegorov report: "The Individual Is the Focus of Attention"]

[Text] Lieutenant General V. Manilov, head of the USSR Defense Ministry Information Administration, said at a briefing for Soviet and foreign journalists 24 October that the Swedish press report on the USSR defense minister's resignation is untrue. Marshal of Aviation Ye. Shaposhnikov is still performing his duties.

Gen. Manilov said that there are plans to set up a committee within the transformed USSR Defense Ministry: It will be responsible for servicemen's social and legal protection and "will be a civilian establishment." The committee will have real powers and, with maximum openness and glasnost, will be able to tackle problems in the capital and in the most remote garrisons. There are also plans to form a public body attached to the USSR Defense Ministry that will deal with matters concerning servicemen and members of their families. It will cooperate with existing organizations of servicemen's parents and soldiers' mothers, and also with the Committee for the Affairs of Servicemen and Members of Their Families recently formed under the USSR president.

In the opinion of the head of the Information Administration, the following USSR Defense Ministry proposals are very important: reducing the length of compulsory military service from 24 to 18 months (possibly as early as next year); speeding up the process of organizing alternate service; and granting amnesty to servicemen currently in disciplinary battalions for going AWOL because of bullying.

As the concept "fit for noncombatant service" has become a thing of the past. According to Gen. Manilov, some 26,000 young men are to be exempt from the draft this fall. Approximately 90,000 "fit for noncombatant service personnel" currently in the Army are being transferred to the reserve.

Answering a question by your KRASNAYA ZVEZDA correspondent about changes in Army recruitment, Lt. Gen. Manilov said that there could be mixed recruitment as early as next year. The actual date to start concluding contracts with volunteers depends on when the corresponding piece of legislation is signed. The procedure for concluding contracts will be as follows: After receiving appropriate training (up to six months) in a training subunit, the draftee will conclude a contract for three or five years. His uniform, accommodation, and meals will all be free of charge. Economists estimate that his pay could be in the range of 400-600 rubles in the first three-five years of service and increase each time he renews his contract. According to Gen. Manilov, in five-seven years, our Army could achieve the planned ratio of draftees and volunteers, with 75 percent of personnel being professionals.

Law on Amnesty for Army Deserters Published

LD0411233491 Moscow Russian Television Network in Russian 2100 GMT 4 Nov 91

[From the "Vesti" newscast]

[Text] The USSR law giving amnesty to those who have evaded military service was published today. Investigation of such cases has been discontinued. Those sentenced in accordance with the articles for being absent without leave, and those sentenced for desertion or self-mutilation, will have their criminal records remitted.

Estonia

Savisaar Discusses Results of U.S. Visit

LD0411183991 Tallinn Radio Tallinn Network in Estonian 1800 GMT 3 Nov 91

[Interview with Estonian Premier Edgar Savisaar in Tallinn on 3 November, on return from U.S. visit—recorded]

[Excerpts] [Announcer] The visit of the Estonian Government delegation to the United States has ended and Premier Edgar Savisaar arrived back in Tallinn today. Edgar Savisaar: Was this nonreturnable loan for the purchase of grain the most tangible result of your visit to the United States?

[Savisaar] No, I would not say so. The most tangible was indeed the major report by the Hudson Institute about how they see a switch to market economy in the Baltic states and how the process should continue. And we can add here another tangible thing, a prestigious IMF mission which arrived here on the same plane as us, in order to examine the economic situation of Estonia and to resolve the issue of us joining the IMF, and—what is particularly important to us—the issue of setting up a stabilization fund for the Estonian kroon so as to make it at least partially convertible. Undoubtedly 100,000 tonnes of grain is also a tangible thing in the interests of our agriculture. There was quite a lot of work done to this end. [passage omitted]

I must admit that we plan to continue discussions about grain because [words indistinct] but on the whole we would like—in the way of aid or perhaps credits—we would actually like to receive slightly more grain. [passage omitted]

Reports of Paratroop Unit Withdrawal Questioned

LD0411162491 Tallinn Radio Tallinn Network in Estonian 1300 GMT 4 Nov 91

[Editorial Report] Tallinn Radio Tallinn Network in Estonian at 1300 GMT on 4 November carries a five-minute report by Ene Veiksaar on troop withdrawals from Estonia.

Veiksaar says that according to a KRASNAYA ZVEZDA report of 1 November the Viljandi paratroop unit was meant to be withdrawing on 3 November. Toomas Matson, a local Viljandi journalist, presents an investigative report and pronounces the newspaper report to be untrue. The unit in question has not received any orders to withdraw, the general at the Baltic Military District cited in KRASNAYA ZVEZDA is on leave as is the commander of the unit in question, and nobody knows anything.

Matson says that some foreign journalists had been attracted by the report and he names Finnish television and NBC among those who have both been refused interviews at the unit. He says: "Answering my question as to whether they think it realistic that they withdraw at least before New Year, the deputy commander of the unit said that in their opinion with the winter coming there is no need for them to start travelling." He says that he has telephoned far and wide in search of answers and goes on: "Vladimir Zhukov, officer of the press service of the USSR Ministry of Defense told the Baltic News Service that he had read about paratroop units withdrawing from Estonia only in KRASNAYA ZVEZDA." Matson adds that Matti Pedak, an Estonian Government councillor, said that Shaposhnikov had originally simply promised to have two paratroop batallions withdrawn, and that now we can see that he has not kept his word.

Matson concludes by noting that the Kohtla-Jarve civil defense regiment was to be handed over to Estonia by Friday 8 November, but the unit has not yet received any instructions to this effect.

Savisaar Fails To Give Answers

OW0511012091 Moscow BALTFAX in English 2030 GMT 4 Nov 91

[Transmitted via KYODO]

[Text] At a news briefing in Tallinn Estonian Prime Minister Edgar Savisaar has failed to answer a reporter's question why two airborne battalions stationed in the town of Viljandi and Voru has not yet begun withdrawing from the republic. Mr Savisaar said that he has no information about that now and will be able to respond in two days. Upon return from Moscov where he had met with Soviet Defense Minister Yevgeniy Shaposhnikov October 3d, Mr Savisaar revealed that Shaposhnikov had promised to pull these battalions out of Estonia within a month.

On November 4th deputy commander of the Viljandi Airborne Unit, Lieutenant-Colonel Vyacheslav Porokhov told the Viljandi newspaper's "SAKALA" correspondent Toomas Matson that so far he has not received any official order to withdraw the troops. He added that "it does not make sense to begin the withdrawal in the winter."

Republic News Conference on Visa Controls Held

LD0411140391 Tallinn Radio Talinn Network in Estonian 1800 GMT 4 Nov 91

[Excerpts] [Reporter Ene Veiksaar] When the current law on the economic border was adopted no rules were established to enable checking persons on the economic border. Now a Republic of Estonia Supreme Council resolution has been drawn up on establishing temporary rules for entry and exit to and from the Republic of Estonia, and on establishing border checks. Acting Premier Raivo Vare, minister of state, will explain.

[Vare] This Supreme Council resolution will stipulate that entry and exit can take place only at border posts established by the government and only according to the procedure laid down for this. The state and border defense department will be given the right to block entry and exit of persons who—at the time of a check—do not have required documents, the list of which and the procedure for checking (?will be laid down by the government).

The government will be charged with some tasks. Starting 15 November, checking will be instituted at border posts along the economic border, on roads, at border stations on the railway and also on trains travelling on our territory either before or after crossing the border, as well as at airports and seaports open to international traffic.

[Veiksaar] Within two months a draft law on the state border must be drawn up and presented to the Supreme Council. How ready is the republic's border defense department to institute checks on persons? Here is director general Andrus Oovel.

[Oovel] In principle we are ready for this better today than before because, as you know, 210 border guards have completed their course at our training center at Remniku, and they have been sent to all those sections along the border where we can see that quite soon problems will arise with the checking of persons. [passage omitted]

If the Supreme Council accepts the resolution we will be ready to begin with the checking of documents from 15 November.

[Veiksaar] The resolution states that the visa procedures will be implemented in stages. During the first stage citizens of the USSR and former Union republics will enter the Republic of Estonia without an entry or an exit visa. That means that documents of all citizens will be checked on entry both on roads and on the railway. Persons without identification cards will be taken to a corresponding police prefect's office. According to Andrus Oovel the first stage should not last longer than a month.

During the second stage all persons wishing to enter the Republic of Estonia will be given a loose sheet to be inserted in their Soviet passports—with an entry visa on it—at border posts. It will not be necessary to get a visa if the person has a residence permit in the Republic of Estonia.

During the third stage entry visas for up to one month will be given to only those persons who have an invitation from state government bodies, local government bodies, legal entities, or from permanent residents of the Republic of Estonia. These requirements will be in force until consular representations are set up to issue entry visas. [passage omitted]

[Veiksaar] These rules will not be valid for all those states with whom the Republic of Estonia concludes agreements on visa-free entry. And all those persons who have Republic of Estonia residence stamps and who live here permanently will cross the state border on the basis of an identification card. According to Deputy Foreign Minister Enn Liimets, there are no problems with the western border. And relations with the USSR—it is hoped—will be coordinated within a month.

The state and border defense department has asked to forward a request to those citizens of Estonia who have foreign visitors: Have a look at what kind of an entry permit they have used for arrival. Usually about 5-15 people of any group are left behind, not being at the seaport on time. And from now on there will be a terrible problem on such occasions.

Republic Draft Conditions Established

PM0511095791 Moscow PRAVDA in Russian 30 Oct 91 p 1

[Report from PRAVDA-TASS "Pulse of the Day" column]

[Text] Some 3,500 youths of draft age will be called up by the state for active service in the Estonian Republic. They will bring subunits of the police brigade and rescue and border services up to strength. An important stipulation is that young men who have served in another state's Armed Forces are not to be drafted in Estonia. The term of service will be 15 months. Knowledge of Estonian is essential. The draft lasts until next March.

Latvia

Godmanis Says Russia Not Failing To Supply Oil

LD0511035291 Riga Radio Riga International in English 2130 GMT 4 Nov 91

[Text] Following the telephone conversation with the Russian Federation President Boris Yeltsin, Latvian Prime Minister Ivars Godmanis denied the information that Russia is failing to supply oil and oil products according to the previous agreements. The Ministry of Economics informed that the Russian Federation has delivered oil in accordance with agreements, disregarding the fact that the petrol problem in the republic is reaching the crisis during the last month.

According to the prime minister, fuel shortage is artificially created inside the republic, and the issue of fuel supply is put on agenda for the session in the Latvian Supreme Council tomorrow.

Opposition Protests Political Prisoners

LD0111220291 Moscow TASS in English 1826 GMT 30 Oct 91

[By TASS correspondent Valeriy Zaitsev]

[Text] Riga October 30 TASS— "Leader of the Latvian Communist Party and USSR People's Deputy Alfred Rubiks, his aide Vladimir Serdyukov, and deputy commander of the former Riga special police unit (OMON)

Sergey Parfenov became the first political prisoners in the independent Latvia," leader of the Latvian parliamentary opposition Sergey Dimanis told a news conference here today, on the International Day of Protection of Political Prisoners.

Deputies of the "Equality" faction noted, referring to the data of the lawyer examination, that accusations of Rubiks, submitted to the Latvian Supreme Soviet, are of extremely general character and cannot serve as a basis for stripping him of the status of republican people's deputy. Rubiks' arrest was made in violation of the international law.

"The attempt to persecute Rubiks for his political views is evident," Dimanis pointed out.

As for Parfenov's arrest made in Surgut by criminal police officers from the Latvian Interior Ministry with the aid of the local police, "it was a gross violation of legal norms of both the USSR, and the Russian Federation," Dimanis told the news conference.

In fact, a Soviet citizen was extradited to a foreign state in violation of Article 10 of the law on Soviet citizenship.

"My husband was actually kidnapped, not arrested," Olga Parfenov told correspondents, "they deny me the right to see him." She stressed that a promise, given by republican Prime Minister Ivar Godmanis on security guarantees in case the Riga OMON leaves the territory of Latvia, has been broken.

In the words of Tamara Rubiks, who was also a speaker at the news conference, she has seen her husband only on a TV screen over the past two and a half months—Rubiks was arrested in his office on August 23. "They allow correspondents to visit him, and deny family members this right," she said.

In the words of Tamara Rubiks, all the mail addressed to her husband is intercepted, including postal money orders.

In the opinion of Dimanis, these prisoners became the first victims in the persecution of the opposition. The course of inquiry is aimed to fabricate a huge political trial, which is illustrated by interrogations of many deputies from the "Equality" faction at the procurator's office, the opposition leader believes.

In this connection, the parliamentarians have turned for support to various human rights organisations, including "the International Amnesty".

Rubiks Issues Statement

PM0411121791 Moscow KOMSOMOLSKAYA PRAVDA in Russian 31 Oct 91 p 1

[K. Markaryan report: "Alfred Rubiks' Statement"]

[Text] A statement from Alfred Rubiks, first secretary of the Central Committee of the now-banned Latvian Communist Party, who has been in a Riga Detention Center for more than two months now, was passed to the Latvian Republic Prosecutor's Office 29 October. This statement is presumed to be a reply to the investigation.

"I categorically reject the accusation leveled at me. First, I knew nothing about the conspiracy before reports appeared in the mass media. Second, I do not recognize the use of force as a means of sorting out political situations. And, third, neither during those days nor earlier has my activity contained calls for action against the existing state system," the statement reads.

"Thirty investigators are now working on the Rubiks case," A. Ogurtsov, Rubiks' Riga attorney, said. "The defense does not yet know of any specific evidence confirming Rubiks' guilt."

I will also remind you that the two detainees in the detention center—Rubiks and his assistant, V. Serdyukov—have been joined by a third. He is S. Parfenov, deputy commander of the Riga Special Purpose Militia Detachment, arrested in Tyumen. He is charged on three counts—sabotage, banditry, and exceeding official powers.

Prison Inmates on Hunger Strike; Set Demands

PM0411142591 Moscow ROSSIYSKAYA GAZETA in Russian 1 Nov 91 First Edition p 8

[RIA-TASS report: "Chocolate for Thieves"]

[Text] The inmates of three Latvian prisons have declared a hunger strike, putting forward several demands, the central one of which is an amnesty for those sentenced under the laws of the Latvian SSR [Soviet Socialist Republic] and who are, consequently, "victims of the Communists." Representatives of a Latvian Republic Supreme Council deputies' commission formed to deal with the strike stated that this demand is unjustified since thieves, murderers, and violent criminals should suffer punishment irrespective of the state system. However, some of the demands of the prisoners over their communual living conditions were deemed to be fair. Mikhail Aleksandrovich, director of the Latvian Department of Prison Cells, also agreed with this. He said that a whole series of outdated requirements should be abolished; for instance, it should be made easier to meet relatives, and elements of civilian dress should be permissible. It has already been permitted in Latvian jails to wear watches, be in possession of coffee and chocolate, and, in women's prisons, to listen to personal transistor radios.

Lithuania

Deputy Chairman Stankevicius' Activities Noted

U.S. Visit 'Exceptionally Useful'

LD0311133991 Vilnius Radio Vilnius in English 2230 GMT 2 Nov 91

[Text] The deputy chairman of the Lithuanian Supreme Council, Ceslovas Stankevicius, met with Eduard Shevardnadze, head of the Soviet negotiating team with

Lithuania at the Lithuanian Embassy in Moscow on Friday [1 November]. During the non-official meeting the sides discussed the range of problems and organizational issues of future interstate negotiations.

In his interview to the Lithuanian TV, Ceslovas Stankevicius described the meeting as useful, however he also noted that it was too early yet to speak about any concrete results. Mr. Stankevicius said that the object of the negotiations would have to be defined later on.

Mr. Ceslovas Stankevicius stopped in Moscow on his way back from the United States where he headed a Lithuanian delegation. The delegation visited the state of Ilinois on the invitation of the Ilinois General Assembly to get acquainted with the American system of legislature.

Mr. Stankevicius described the visit as exceptionally useful. He noted that both official institutions and private funds were ready to provide Lithuania with technical aid and the help of [word indistinct]. According to Mr. Stankevicius, Lithuania will most probably receive political support as well in resolving the issue of the Soviet Army's withdrawal from its territory.

U.S. To Give Aid After Economic Analysis

OW0511011091 Moscow BALTFAX in English 1200 GMT 4 Nov 91

[Transmitted via KYODO]

[Text] Commenting on the results of his two-days' visit to the US, Vice-President of Lithuania's parliament, Mr Ceslovas Stankevicius, said at the morning briefing in parliament that the US was ready to give aid to Lithuania but lacked information about the economic situation in the republic. In view of this, more economic experts would be attached to the US Embassy in Vilnius.

It was also announced during the briefing that on November 7, Chairman of the Lithuanian Supreme Council Vytautas Landsbergis would pay an official visit to Austria.

He will take part in the Pen-Club congress and meet with the federal chancellor and head of the Austrian parliament.

Shevardnadze Meeting 'Unofficial'

LD0411120491 Vilnius Radio Vilnius Network in Lithuanian 1000 GMT 4 Nov 91

[Report by correspondent Virgis Miciulis from the Supreme Council building]

Deputy Supreme Council Chairman Ceslovas Stankevicius met with journalists at the Supreme Council today. He discussed his U.S. visit, noting among other things, "Americans are inclined to support Lithuania, however, they have a lack of information concerning our situation and the laws which have been enacted. Therefore, they plan to expand the Vilnius Embassy staff. Individuals will come here to collect economic data and will forward it back to the U.S."

Discussing his meeting in Moscow with Eduard Shevardnadze, Stankevicius remarked that this was an unofficial meeting, and therefore, both participants have agreed not to discuss the contents of their conversation. Stankevicius only noted that the discussion included a consultation of what the negotiation objective will be, where and when the negotiations will take place, and how preparations will be carried out.

Problems at Shevardnadze Talks Noted

LD0111213791 Moscow TASS in English 2045 GMT 1 Nov 91

[By TASS diplomatic correspondent Igor Bulanov]

[Text] Moscow November 1 TASS—Leader of the Soviet delegation to forthcoming talks with Lithuania Eduard Shevardnadze described today's meeting with Deputy Chairman of the Lithuanian parliament Ceslavas Stankevicius, who was in Moscow en route home from the United States, as "a preliminary unofficial consultation".

During the conversation held in an amiable atmosphere, Shevardnadze and Stenkevicius agreed to continue working consultations with a view to preparing and beginning talks between the USSR and Lithuania as soon as possible.

They mainly discussed problems associated with the beginning of interstate talks between Lithuania and the Soviet Union.

It is noteworthy that the meeting between Eduard Shevardnadze and Ceslovas Stankevicius took place directly after today's publication of Lithuanian President Vytautas Landsbergis's statement which says "Delaying the beginning of talks was beneficial for the Soviet side, which is not yet ready for negotiations".

The statement says Lithuania began preparations for talks with the Soviet Union in the autumn of 1990 and has insisted on the continuity on all problems under discussion.

Landsbergis stressed in his statement in particular that the presence of Soviet Armed Forces on Lithuanian territory was one of the most acute problems in relations between Lithuania and the Soviet Union.

The solution of this problem is further complicated by the intention of the military to leave Lithuania after adequate living conditions are created at the places of their future deployment.

Soviet First Deputy Defence Minister Colonel-General Pavel Grachev, for instance, believes that the date for the beginning of Soviet troops withdrawal can at best be set at the end of 1994. Lithuania, he said, should provide monetary and material assistance to the military, paying corresponding amounts in hard currency.

For its part, the Lithuanian side holds that the withdrawal of Soviet troops must be prompt and unconditional.

Border Protocol With Poland Discussed

OW0211102891 Moscow BALTFAX in English 1630 GMT 1 Nov 91

[Transmitted via KYODO]

[Text] A Lithuanian-Polish protocol on the movement of citizens crossing the joint border was signed on October 31st in Vilnius. Now, citizens of both countries who are crossing the border will only go through one customs check-point, at a joint Polish-Lithuanian post.

The protocol also includes a statement on the intention in the near future of discussing the question of travel by the citizens of Poland and Lithuania between the two countries without a visa.

According to a statement made on Lithuanian radio, already Polish border guards do not always demand a visa from Lithuanian citizens entering Poland.

Landsbergis Meets European Parliament Delegation

LD0511114791 Vilnius Radio Vilnius Radio Network in Lithuanian 1000 GMT 5 Nov 91

[Text] As we already reported, a European Parliament delegation is visiting Lithuania. Today the guests were received by Vytautas Landsbergis, the chairman of the Supreme Council, and at 1000 Siegbert Alber, the head of the delegation, vice-president of the European Parliament, held a news conference.

Mr. Alber disclosed that three weeks ago the European Parliament formed a group for maintaining relations with Lithuania, Latvia, and Estonia. Hitherto relations with the Baltic region used to be understood as relations with the Soviet Union. This group still exists, but after the Baltic states became independent, the European parliament, wishing to demonstrate that it recognized and understood it, has formed a special group.

The aim of this visit, said Mr. Alber, was to get acquainted with the economic situation in Lithuania, its political development, the creation of the constitution, the rights of national minorities. By the way, the guest noted that after various meetings he had an impression that national minorities in Lithuania enjoyed all rights. But the main purpose of the visit, he said, was to prepare better conditions for economic cooperation by Western Europe with Lithuania.

The topic important to us was touched upon at the news conference—the withdrawal of the Soviet Army from Lithuania. Replying to a journalist's question, Mr. Alber acknowledged that our demand was justified. There is no doubt that the Soviet Army cannot be deployed in a foreign country, but he added that a similar problem is confronting Germany which is ready to build flats for the Army withdrawn from the country. Lithuania has no financial means to step up the withdrawal of the Soviet Army, therefore, the only way remaining is political pressure. The guest acknowledged that the European Parliament's help to Lithuania in solving this problem can mean only psychological pressure on the Soviet Union. The European Parliament is and will be supporting this demand of ours.

Today the delegation met Vice-Premier Vytautas Pakalniskis and is continuing its trip to Riga.

Official Remarks on Economic Issues With Russia

OW0411130991 Moscow BALTFAX in English 1154 GMT 4 Nov 91

[Transmitted via KYODO]

[Text] Lithuania's Deputy Minister of Economics Vytautas Navickas said at today's briefing in the Lithuanian parliament that "Russia is beginning to implement its economic reform relations".

Lately, V. Navickas pointed out, the stand taken by Russia has changed considerably. "Last July there were negotiations in trade in oil, gas, metals, coal and timber on the basis of 1.8 rubles for 1 dollar. The rate mentioned now is different: up to 55 rubles for 1 dollar, depending on circumstances".

According to V. Navickas, now Russia demands 25,000 rubles for 1000 cubic meters of gas.

Economic Ties With Russia Discussed

LD0211063891 Vilnius Radio Vilnius International Service in Lithuanian 2200 GMT 29 Oct 91

[Report by Roma Pakeniene]

[Text] Lately the leaders of the Lithuanian Government have been mentioning the economic threat from the East more frequently. Mostly they have in mind the consequences of breaking-up the centralized Soviet economy, which affects our economy. Some politicians call it economic war against Lithuania, others think that this circumstance will help Lithuania to separate from the Soviet system sooner.

People in the government structures, who maintain relations with the former Soviet Union, state that there are no grounds to speak about some intentional political action aimed against Lithuania or other Baltic states. It is simply an economic ailment on both sides when production declines quickly and, because of this, agreements are not fulfilled.

Several heads of the most important Lithuanian ministries confirmed to Radio Vilnius that, in recent months, the Soviet Union had substantially reduced the sale of raw materials and other products to Lithuania. Often this is not officially reported. For instance, Lithuania is barely supplied through official channels with cars and tractors, it is not supplied with metal, and the supply of fodder grain, sugar, and semi-fabricated products has substantially declined.

The sale of these very important products are almost nonexistent, because the Soviet Union itself imports them from the West and, because of the unused credits, the West stopped the sale of grain and other food materials for some time.

According to Adolfas Slezevicius, vice minister of agriculture, the matter should move once again in the near future. The Soviet Union has already promised to increase the supply of these products to Lithuania in November. According to Slezevicius, so far Lithuania has been supplied with only a little more than half of the agreed-upon annual quantity of fodder grain, and therefore the government has decided already in the nearest future to reduce the sale of meat and milk to Moscow.

On the other hand, said Adolfas Slezevicius, it is obvious that next year Lithuania will not be supplied with the above-mentioned import products from the former Soviet Union's republics. Lithuania will be compelled to purchase fodder grain, sugar, raw material, coffee, cocoa, and other first necessity goods directly from its partners in the West. Roughly half a billion dollars per year will be needed for this purpose. This work, according to the vice minister of agriculture, is progressing well, and already at the beginning of next year Lithuania will manage without help from the former Soviet Union in this respect; moreover, the roads for grain, sugar, raw materials, and other foodstuffs have already been paved to Lithuania. They usually used to travel in ships directly to Klaipeda and other Baltic ports, omitting the Soviet Union.

Lithuania's prospects for obtaining energy resources are different. In the next few few years, Lithuania will not be able to manage without Russia's oil, natural gas, and coal. The production of these raw materials is sharply declining in the East, and Russia will sell much smaller quantities of them to Lithuania than in previous years. Presently, Lithuania is short of almost half a million tonnes of oil, about 40 million cubic meters of natural gas and nearly half the quantity of coal required by it.

Robertas Tamosiunas, vice minister of power engineering, told Radio Vilnius that we should survive this winter by making thrifty use of energy. The government is accumulating stocks; therefore there should not be much shortage. But next year does not promise anything good. Russia intends to supply Lithuania with only 6,000,000 tonnes of oil, and this is only half the previous quantity and much less than can be refined by the Mazeikiai oil refinery. According to Robertas Tamosiunas, this is the minimum quantity needed for us to be able to manage without difficulty.

The greatest problem concerns fuel oil. Lithuania obtains it by refining oil. There will be a shortage of it. The majority of Lithuania's power stations are fired by fuel oil and, according to vice minister, there may be a catastrophic situation next March. The only way is to reduce the export of fuel oil via the Klaipeda port and not to sell it to Kaliningrad Oblast. Meanwile, Russia supplies oil with the condition that Lithuania supplies oil products to Kaliningrad Oblast.

It is important to Lithuania to have an agreement with Russia on the supply of oil, gas, coal, and other raw materials next year. Negotiations aiming at signing a trade agreement are rather difficult and have been taking place since the middle of last summer. This work is headed in the Lithuanian Government by Vytas Navickas, vice minister of econony. He stated in an interview with Radio Vilnius that it has basically been agreed which and how many goods both sides must purchase and sell. So far, it is not clear at what prices and in what currency accounts will be settled. This state of affairs is aggravated by the circumstance that Russia intends to introduce its own currency this year. If there is Russian money, the settlement with rubles is impossible, said Vytas Naviclas. Apart from that, it is clear that then we will unavoidably go over to world prices. Russia already now demands that the settlement for the supply of basic raw materials, especially natural gas, take place at world prices, and from the New Year, Lithuania will pay for oil, gas, and coal roughly a hundred times more. Thus, we will pay about U.S. $130 for one tonne of oil whereas now we pay $1.7 according to the exchange rate of the dollar fixed by the Lithuanian Bank. We will pay $100 for 1,000 cubic meters of natural gas, whereas now they cost only about one dollar.

On the other hand, Lithuania will sell its goods at world prices, too, and thus this ratio will be equalized.

Lithuania proposes to Russia a list of 26 goods sold at world prices. It includes various machines and equipment, products of the metal-working industry and electro-technical products, products of monopoly firms of the former Soviet Union, which mostly includes sets of components and some products of the former military industry. According to Navickas, Russia would willingly pay dollars for food products, but this would not be beneficial to Lithuania. For instance, Russia would pay $1,600 for one tonne of meat, but to us it would be more beneficial to use it for other exchange. For instance, even four versions of a settlement with Russia are possible: mutual exchanges between enterprises, that is, the so-called barter system of settling accounts, not in the world, but in agreed prices; the natural exchange of goods; settlement in dollars at world prices; and settlement in national currencies.

Vytas Navickas thinks that settlement in hard currency will be minimal. Neither Lithuania nor Russia has much of this currency. For instance, to Lithuania, the trade with Russia will cost about $3.6 billion per year. Goods to the value of this sum will be sold to that state. In the opinion of Vytas Navickas, an economic agreement with Russia will be signed about the middle of November.

Sajudis Statement on Election of President

LD0211121191 Vilnius Radio Vilnius International Service in Lithuanian 2200 GMT 29 Oct 91

[Text] LIETUVOS AIDAS published today a statement by the Sajudis Seimas Council on the restoration of the institution of the republic's president. According to the statement, the present Lithuanian situation, especially its internal affairs, obliges everyone to seek the fastest possible solutions and, probably, the most optimum of them is the introduction of the institution of president.

In the opinion of the Sajudis Seimas Council, after election of the president the governing system would be finally formed, the government's effectiveness would increase, the work of parliament and the goverment would become more effective, and relations between the authorities would become more stable. Apart from that, it would be possible, in a more effective and constructive manner, to develop economy and culture, preserve balance of power, and restore and consolidate human rights. After election of the president, in the opinion of the Sajudis Seimas Council, personal responsibility for the solutions of important state matters would be legalized and the representation of the state would be arranged.

Groups To Meet USSR, Republics on Economy

OW0511014191 Moscow BALTFAX in English 1200 GMT 4 Nov 91

[Transmitted via KYODO]

[Text] The Lithuanian Government has set up groups authorized to hold talks and coordinate economic and trade agreements with the Soviet Union, the Russian Federation and other republics of the former Union.

Talks with the USSR and Moldova will be held by a group led by Minister for Economy Albertas Simenas; and with the Russian Federation, the Ukraine, Kazakhstan and Kyrgyzstan by a group led by Deputy Minister for Economy Vytas Navickas.

The group to deal with Belorussia is led by the government's adviser, Mr. Bronislovas Zaikauskas.

Also, groups have been created for holding talks with Azerbaijan, Armenia, Georgia, Uzbekistan, Tajikistan and Turkmenistan.

In charge of the talks with Latvia and Estonia is Deputy Minister for Economy Klemensas Seputis.

Before November 15, the leaders of the groups are expected to present draft economic agreements to the government. The government has authorized the ministers for econouy, trade and material resources, agriculture and power engineering to sign final documents after corresponding talks.

USSR Asked To Return Paris Embassy

LD0511035791 Vilnius Radio Vilnius Network in Lithuanian 2000 GMT 4 Nov 91

[Text] A note was sent to the USSR Ministry of Foreign Affairs by the Republic of Lithuania's Ministry of Foreign Affairs which says that, following the diplomatic recognition of the Republic of Lithuania, issues concerning the return of the property abroad which belonged to the Republic of Lithuania until June of 1940 are being resolved.

However, the problem of the return of the building of the Lithuanian Embassy in Paris, which is currently at the Soviet Union's disposition, has not yet been solved. The Republic of Lithuania's Ministry of Foreign Affairs appeals to the Soviet Ministry of Foreign Affairs, requesting the urgent solution of the problem.

Fifth Congress of People's Deputies

Congress Ends With Report on Draft Constitution

LD0211165491 Moscow TASS International Service in Russian 1313 GMT 2 Nov 91

[By TASS parliamentary correspondents Ivan Ivanov, Vladimir Isachenkov, Aleksandr Mineyev, and Gennadiy Talalayev]

[Text] Moscow, 2 Nov (TASS)—The last day of the Congress of People's Deputies ended today with a report by Russian Soviet Federated Socialist Republic [RSFSR] President Boris Yeltsin on work on the draft of the new Russian constitution. In his view, Russia today is in a "deep constitutional crisis" and the current Constitution "has become a brake on our political course and an obstacle to the radical reforms which are vitally necessary in Russia" today. The president said the new draft constitution "creates the legal foundation for change."

The discussion which followed revealed the "sore points" of the draft. As expected, at the center of criticism was the section "on a federal system." A number of deputies feel that the proposed division of the federation into republics and lands [zemli] would lead to "a painful recarving of national and territorial borders" and would "make the country ungovernable." In the opinion of representatives of the autonomies, the draft would infringe upon their rights by putting the autonomous formations on the same footing as krays and oblasts.

At the same time it was noted that the constitutional commission has done much useful work. The Congress eventually resolves to "take note of" the proposed draft. The RSFSR Supreme Soviet, together with the constitutional commission, was instructed to do further work on the draft in light of the comments and submit it to the next RSFSR Congress of People's Deputies set for March-April 1992.

Before ending the Congress, the people's deputies, in an address to the Supreme Soviets of the 14 republics belonging to the USSR, called for the conclusion of bilateral treaties or agreements with the RSFSR on guaranteeing the rights and liberties of representatives of ethnic minorities and those originating from Russia to be accelerated. Prior to this, the document points out, it is necessary to ensure the rights and liberties of ethnic minorities and the opportunity for everyone to freely choose their citizenship and also to enshrine the right to dual citizenship in legislative acts of the sovereign republics.

An address to the citizens of the Ukraine, Belorussia, and Russia was adopted. It contains an appeal for unity among the Slavic republics. "Their break-up would not only undermine the capacity of the Ukraine, Belorussia, and Russia to survive economically but would even raise the question of their simple survival," the document says.

The Congress instructed the Supreme Soviet to adopt a legislative act on measures to stabilize the situation in the RSFSR and to ensure its territorial integrity. This decision was adopted at the suggestion of Ruslan Khasbulatov instead of the originally planned Congress decision "on the integrity and indivisibility of the RSFSR and all the subjects of the Federation".

It was also decided to hand over the declaration of human and civil rights, which had been submitted for the Congress' consideration by the RSFSR president, to the republic's Supreme Soviet to adopt a decision.

In addition the Congress adopted a decision on renewing the membership of the republic's Supreme Soviet. The parliament will be about 20 percent renewed.

The Congress confirmed the decision of the republic's Supreme Soviet on deeming the presidential elections in Chechen-Ingush illegal.

In his closing address Ruslan Khasbulatov stated that the Fifth Congress had been held in a "business-like" and "constructive" atmosphere. According to him "the consolidation of factions and groups had facilitated the adoption of important political decisions." The chairman of parliament emphasized the importance of the "Russia-wide consolidation of efforts to extricate the country from crisis, carry out economic and political reforms consistently, and transform the country into a worthy member of the international community."

Filatov 'Satisfied' With Results of Congress

OW0411194591 Moscow INTERFAX in English 1718 GMT 4 Nov 91

[Transmitted via KYODO]

[Text] Sergey Filatov, first deputy chairman of the RSFSR [Russian Soviet Federated Socialist Republic] Supreme Soviet is "quite satisfied" with the results of the Congress of People's Deputies, said he in an interwiew with IF [INTERFAX]. But, according to Filatov, he is quite ill at ease over two rulings the president suggested "We created three powers, began to develop a rule-of-law state, and I see the restrictions being placed on the Supreme Soviet and the legislative process contained in these rulings as unnecessary," said the deputy. At present he sees no need for such tough decisions.

Sergey Shakhray, a RSFSR presidential adviser and chairman of the RSFSR Supreme Soviet's Legislative Committee, expressed concern over the new membership of the Supreme Soviet, in particular the Council of the Nationalities, which, after the last rotation, is full of former party functionaries.

According to Shakhray, the Supreme Soviet is now a mixed bag, which may cause "certain difficulties." He added that the congress is a 55 percent success, on a 100 percent scale.

Deputies Appeal to Ex-Republics on Minorities

OW0411194291 Moscow INTERFAX in English 1718 GMT 4 Nov 91

[Transmitted via KYODO]

[Text] The RSFSR [Russian Soviet Federated Socialist Republic] Congress of People's Deputies called on the Supreme Soviets of the ex-Soviet republics, including the Baltics, to conclude special agreements and treaties to guarantee the rights and freedoms of the ethnic minorities that live on their territories.

The appeal insists that the problem must find a civilized solution. It is proposed that, pending the conclusion of bilateral agreements or treaties, legitimate measures be taken to safeguard the rights and freedoms of ethnic minorities, give every individual a free choice of citizenship and anchor dual citizenship in republican law.

The RSFSR Congress of People's Deputies also urged the citizens of the Ukraine, Belorussia and Russia "not to sewer our blood ties, our unity." It would be tragic, says the appeal, to allow commitment to state independence to lead to torn ties between the peoples of the Ukraine, Belorussia and Russia. The congress ruled to support the decision of the Russian Supreme Soviet to recognize the October 27 elections for the Supreme Soviet in the Chechen-Ingush Republic invalid.

Comparison of Yeltsin Appeal For More Power

CM0511130891

Moscow IZVESTIYA in Russian on 31 October 1991 carries in its Union Edition on page 2 a TASS report on Yeltsin's appeal for more power entitled "Boris Yeltsin Calls on Congress to Strengthen the Executive." This item has been compared to the Moscow TASS International Service in Russian version published in the 31 October Soviet Union DAILY REPORT on page 47 and headlined "Yeltsin Appeal for More Power, Election Ban," allowing for the following variations:

page 47, column two, first full paragraph, first sentence, IZVESTIYA reads: banking and other economic reform issues should be agreed without fail by the president...(rewording);

same paragraph, last sentence, IZVESTIYA reads: for compulsory execution on a definite range of issues and for a definite period even if they...(adding phrase);

next paragraph, last sentence, IZVESTIYA reads: within one week. (new paragraph)

The system of executive power should work "on the principles of cosubordination and legality," ruling out any possibility of "central organ decisions being blocked by local administrative organs," Boris Yeltsin's appeal to the Congress states.

"The essence of the transitional period," the document notes, "is to create...(adding paragraph, quotation marks);

same paragraph, only sentence, IZVESTIYA reads: and social behavior." (new paragraph)

In his appeal Boris Yeltsin stressed that the economic reform program "simply cannot be implemented without strict action by the entire system of executive power in the Russian Soviet Federated Socialist Republic." (adding paragraph, quotation marks, and deleting final paragraph).

Federation Affairs

Permission for Red Square 7 Nov March Denied

LD0111180391 Moscow TASS in English 1712 GMT 1 Nov 91

[By TASS correspondent Andrey Palaria]

[Text] Moscow November 1 TASS—The government of Moscow has said no to public organisations which requested the right to stage a demonstration in Red Square on November 7. These public organisations were told they would have to stage their action beyond the garden ring, the ring road running around the centre of Moscow.

Notification of this, signed by Moscow's Deputy Premier Boris Nikolskiy, was received today by the Moscow Labour Movement, the Moscow Workers' Club, the Communist Initiative Youth Movement and a group of Russian people's and Moscow City Hall deputies.

The notification says the Government of Moscow has nothing against anniversary meetings and marches, provided they are held outside Moscow's centre, beyond the garden ring, in the evening and coordinated with Moscow's City authorities and interior affairs administration, Vladimir Stradymov, a member of the Moscow Labour Movement's coordinating board, told TASS.

Trade Union Cancels Republic-Wide Strike

OW0111194991 Moscow INTERFAX in English 1748 GMT 1 Nov 91

[Transmitted via KYODO]

[Text] The Russian Federation of Independent Trade Unions (RFITU) has canceled an all-Russian action of protest scheduled for November 13. The decision was made on Friday [1 November] at a conference by selective telephony of representatives from 77 regions of Russia. This information is provided by the head of the RFITU press service Nikolay Akritov. The main demands of the RFITU have been met: restrictions on ages have been lifted, a mechanism for privatization of state property and housing has been worked out and a program for pulling Russia out of the crisis has been made public.

Finance Minister on Banking Union, Banknotes

LD0111213191 Moscow Central Television First Program Network in Russian 1900 GMT 1 Nov 91

[From the "TV Inform" Newscast]

[Text] [Pavel Kasparov] We have decided to open our program this evening with the TASS report that Boris Yeltsin has abandoned his intention to transform the USSR State Bank into the State Bank of the Russian Federation. This intention, which he declared yesterday, has had the broadest repercussions both in our country and abroad. We have asked Igor Nikolayevich Lazarev, Russian Socialist Federated Soviet Republic [RSFSR] minister of finance, our studio guest, to comment on today's report.

[Lazarev] The intention is not to transform the Union State Bank into the Russian State Bank but to set up a banking union as envisaged in the economic community treaty and a provisional body, a provisional board, which is being set up by the USSR State Bank and the national banks of the community member-states. That is the only way in which this issue should be seen. Naturally Russia, like any other state in the community, is considering what steps need to be taken to speed up the process and set up a single banking system to administer all banking activity in the territory of the states within the community.

[Kasparov] Igor Nikolayevich, there is another matter that is worrying everyone very much. I am certain that viewers are simply waiting for an answer to this question. Will anything be happening with the ill-starred 50-ruble [R] and R100 banknotes again, or will there be no change?

[Lazarev] Let me immediately and unequivocally say that everything remains as it was. No exchange of R50 and R100 notes is to be carried out. This was stated today at the Russian Congress of People's Deputies. Neither the republican nor the union banks have given any instructions on this. I want to add that the Russian Government in particular has not given any such instructions and could not consider or adopt any decisions on this because this is not within its terms of reference under existing legislation. I wish to confirm that no restrictions on the exchange or general circulation of any denominations are envisaged.

Yeltsin Change on Bank Issues Criticized

LD0311231391 Moscow Radio Rossii Network in Russian 2000 GMT 3 Nov 91

[Text] [Announcer] According to our economics commentator Yevgeniy Gandmakher, who is not afraid of the word scandal, there was an uproar on 31 October: Boris Yeltsin announced to representatives of the Union of Russian Cities [Soyuz Rossiiskikh Gorodov] that an Russian Soviet Federated Socialist Republic [RSFSR] state bank would be set up with the assets of the USSR State Bank and would inherit the gold and foreign exchange reserves of the former Soviet Union. Let me remind you that the announcement was made in response to USSR President Mikhail Gorbachev's request to the USSR Supreme Soviet for monetary emission to be increased by 30 percent. Yevgeniy Gandmakher commented as follows.

[Gandmakher] At first glance, the question of setting up a Russian state bank seems far removed from practical affairs, but in fact it is directly linked to the introduction of Russia's own currency and control over monetary issue. I am sure that Yeltsin's announcement on 31 October had a direct impact on the international market, at least in those spheres connected with trade with the former Soviet Union. From my viewpoint, this clear-cut and bold move by Yeltsin could significantly advance Russian sovereignty, which so far is of a mainly proclamatory nature. In a TASS interview on 1 November Silayev, chairman of the Interrepublican Economic Committee, said that after meeting him, Yeltsin withdrew his proposal on replacing the USSR State Bank with a Russian state bank. I was expecting the explanation for this turnaround from Yeltsin himself, but as far as I am aware, it has not come. Not even the people's deputies asked him for one; some of them had already had time to distribute a draft Congress resolution on setting up a Russian state bank. What is going on? After assuming total responsibility for the fate of the economic reforms and announcing the existence of a detailed plan to put them into practice, the president, within 24 hours, radically changes position on a vital issue. So does Yeltsin have a program to save the economy, or is this just another example of off-the-cuff improvization? The silence in responding to Silayev's interview points to the latter.

[Announcer] I cannot say in all certainty whether the talk over 50 and 100-ruble notes has anything to do with Boris Yeltsin's announcement, but no denial by a USSR State Bank spokesman that any freeze on the aforementioned denominations is planned could disperse the lines outside the savings banks because a people deceived once no longer believes any assurances especially since before the Pavlov exchange, the State Bank boss Comrade Gerashchenko publicly promised to let his hand be cut off if such an exchange took place. As we see, however, both of Comrade Gerashchenko's hands are in full working order. And who believes a liar?

Yeltsin Decree on State Customs Committee

PM0511110091 Moscow ROSSIYSKAYA GAZETA in Russian 1 Nov 91 First Edition p 1

[Unattributed article headlined: "Decree by the President of the Russian Soviet Federated Socialist Republic [RSFSR] on the RSFSR State Customs Committee"]

[Text] With the aim of providing an economic basis for Russian Soviet Federated Socialist Republic [RSFSR] sovereignty and state security, defending the interests of the people of the Russian Federation, and in accordance with the RSFSR Supreme Soviet Presidium resolution of 21 October 1991, I resolve:

1. to form an RSFSR State Customs Committee;

2. to affirm that the chairman of the RSFSR State Customs Committee is ex officio first deputy chairman of the USSR Customs Committee;

3. to appoint Anatoliy Sergeyevich Kruglov chairman of the RSFSR State Customs Committee and first deputy chairman of the USSR Customs Committee;

4. to assign RSFSR Vice President A.V. Rutskoy the task of overseeing the RSFSR State Customs Committee;

5. that the RSFSR Council of Ministers should ratify the committee regulations within a period of one month, taking into account the RSFSR vice president's opinions. [Signed] RSFSR President B. Yeltsin
Moscow, Kremlin, 25 October 1991

Yeltsin Prepares Draft Decree on 'Crisis'

OW0111213591 Moscow INTERFAX in English
1524 GMT 1 Nov 91

[Transmitted via KYODO]

[Text] IF [INTERFAX] learned that a Russian presidential draft decree has been prepared that outlines priority measures for the Russian industry to cope with its crisis. Among other things, it plans for manufacturers and the consumers to sign an agreement as basis for the drawing up of production programmes in November of 1992

The RSFSR [Russian Soviet Federated Socialist Republic] Council of Ministers must set a uniform republican state order beginning from 1992: a maximum of 35 percent of the 1992 actual production level in mining and 70 percent in manufacturing. The state order means an enterprise is entitled to supplies of inputs from the state that will enable the enterprise to meet the order.

The Council of Ministers is charged with making in December 1991 a forecast concerning national economic development, to be used as a basis for concrete guide-lines on the crucial lines in the republic's socio-economic development

The government was also instructed to work out a programe to improve economic management structures. State enterprises will be allowed to keep part of their profits to be accumulated in privatisation funds with personal accounts opened for the enterprise's workers.

According to the draft decree, the exporter factories will sell 80 percent of the hard currency they earn to the state and use the rest for own needs. Tax incentives are introduced. An export and import tax is repealed.

Given price liberalisation, the productivity level will be restricted to 50 percent at the first stage. A governmental committee is planned to be established to control price formation, the operation of stock exchanges and their compliance with exchange regulations.

Together with the USSR Defense Ministry, the government was instructed to fine-tune the weapons manufacturing programme for 1992 and to amend the defense conversion programme; to work out wage policies, with the elimination of caps on consumption fund beginning on January 1, 1992; and to allow enterprises to set up own pension funds, etc.

The Council of Ministers has instructed to work out its own programme in the first quarter of 1992 to protect Russia's economic interests.

Enterprises To Participate in Foreign Markets

OW0211200791 Moscow INTERFAX in English
1730 GMT 2 Nov 91

[Transmitted via KYODO]

[Text] The RSFSR [Russian Soviet Federated Socialist Republic] State Counsel Sergey Shakhray has told INTERFAX [IF] that he has initialled a draft presidential decree permitting all the enterprises registered in keeping with the federation's law to participate in foreign economic activities. The decree, says Shakhray, will cancel all licensing and quotas, but will keep a short list of goods still to be under the state trade monopoly, such as veapons, narcotics, etc.

"I hear it was alleged with reference to me that I had initialled a decree cancelling the three-stage currency exchange", Sergey Shakhray told an IF correspondent, "but I have never seen such a decree or even heard of its existence. And the decree I've mentioned has nothing to do with currency".

Further on Presidential Decree

OW0511020191 Moscow INTERFAX in English
2010 GMT 4 Nov 91

[Transmitted via KYODO]

[Text] IF [INTERFAX] learned that a draft RSFSR [Russian Soviet Federated Socialist Republic] presidential decree has been prepared that gives all enterprises registered in Russia a right to conduct foreign economic activities and removes all bans and restrictions on mediation, barter trade, and foreign- exchange transfers.

The draft decree also abolishes the taxes on the export and import of all commodities and services and customs dues on the import of commodities into Russia in 1992.

All juridical and physical persons will be allowed to freely sell and buy foreign exchange at RSFSR banks and exchange desks. All restrictions are scrapped on opening personal hard currency accounts with Russian banks for all individuals regardless of their citizenship status or stateless persons.

There are also plans to scrap the licensing system and quotas on the export and import of most goods. The decree also provides for the state to drop its monopoly on the export of most products. However, a list must be drawn up of the commodities the import of which into (or export from) the Russian Federation will be banned or restricted, or a list of strategic goods that will be exported or imported in accordance vith the licensing system and quotas.

Prior to April 1, 1992, the RSFSR State Customs Committee will submit to the Russian Supreme Soviet a draft customs code and RSFSR law on customs tariffs and dues.

The document will make null and void on Russia's territory the USSR laws "On Foreign-Exchange Regulation," "On Customs Tariff," and the USSR Customs Code, rulings of the Union Government, the State Bank's Customs Code and other legal acts "in violation of the RSFSR legislation and this charter."

Measures To 'Overhaul' Economy Noted

LD0511094991 Moscow TASS in English 0825 GMT 5 Nov 91

[Text] Moscow November 5 TASS—As Russian Republic President Boris Yeltsin battles to push his plan of economic reforms ahead, a proposed decree on the liberalisation of foreign economic activities in Russia is viewed as one of the major measures to overhaul Russia's collapsing economy, the NEZAVISIMAYA GAZETA (INDEPENDENT GAZETTE) said.

A draft decree aimes to make the ruble convertible, abolish all fixed exchange rates and lift restrictions on hard currency accounts.

It will also include the abolition of taxes on imports and exports of all goods and services.

The Russian Council of Ministers has been instructed to cancel licensing of and setting import and export quotas for almost all goods.

"Specialists praise the draft and hope it will help attract long-awaited foreign investments and begin the so-called 'commodity intervention'," the newspaper said.

The independent daily stressed neither of them will immediately improve the situation and the convertibility of the ruble will lead to its further devaluation.

The newspaper said the decree can be signed very soon.

Economy Minister on State's Privatization

OW0211214491 Moscow INTERFAX in English 1730 GMT 2 Nov 91

[Transmitted via KYODO]

[Text] In an inteview with INTERFAX the Minister of Russia's Economy Yevgeniy Saburov has expressed doubt that the state can carry out privatization speedily and effectively.

He thinks that the state had better prepare "packages" of property to be privatized and then supervize the process which can much better be run by commercial structures, such as holding companies. The latter can find experts to assess the values and, under competition, would guard against monopolies with their possible negative features. This script, finds Saburov, allows a fast and successful privatization.

The minister pointed out the need to control the prices for goods easily generating inflation, such as energy. But he admitted measures should be taken to keep oil and gas within the country with discrepancy of prices between the internal and world prices for energy. That could be done in two ways: licensing exports or introducing protective export duties offsetting profits from selling energy at world prices. The latter is preferable.

As to trade with the former Union republics, Saburov said this is part of the economic agreement and should by all means be carried on.

Procurator General on Coup Investigation

LD0311121691 Moscow All-Union Radio Mayak Network in Russian 1200 GMT 2 Nov 91

[Interview with Valentin Georgiyevich Stepankov, Russian Soviet Federated Socialist Republic procurator general, by correspondent Olga Vasilenko; place and date not given—live or recorded; from the "Panorama" program]

[Text] [Vasilenko] Valentin Georgiyevich, there is much talk surrounding the case which is under way in connection with the State Committee for the State of Emergency on television, radio, and in the media. So far we do not know much about the case itself. Admittedly, there was a report that you were to finish it, as it were, by the end of November.

[Stepankov] We did not make a secret of the inquest schedule, which determined that two or three months for closing this case is important in order to collect all the evidence. The third month expires at the end of November. We are often asked: Will you stick to the schedule or not? I reply: Two main problems can hinder us. First, of course, is that the accused are elderly people and are liable to become ill. In particular, Lukyanov has been hospitalized twice. Health will be an obstacle to fulfilling the investigation. There is another reason. You said that there is far more talk around this case than about the case itself. Often these talks are artificially created and artificially fuel the fire, and they are trying to compromise the Russian Procuracy as well as the investigation group thus casting doubt on the investigation's quality, adherence to principles, and fullness of the investigation. This is the other factor which, of course, is also an obstacle.

[Vasilenko] Valentin Georgiyevich, you claim you will hold an official inquiry and obviously you are carrying one out, but still accusations are heard that somehow the procurator general gives up some positions and some laws. Of course, I have read your replies in the media but I would like very much to hear from you personally.

[Stepankov] The point is that the information leak and several video tapes are under discussion here, and in total we have 45 video tapes of three and four hour-long interrogations. Among them there were three interrogations of the accused which turned out to be copied and passed to SPIEGEL and later spread across USSR territory. I have already said that this had not, as it was, damaged the investigation since we have interrogated these accused five or six times already and some aspects have already changed. Therefore, only an assessment of the evidence in the court is under discussion. As for our actions, we are carrying out an official investigation and as it was wrongly reported that this investigation is also carried out by Lisov himself who is carrying out an investigation [as heard]. This is far from being true. Lisov, incidentally, as well as myself, gives explanations to a separate group of procurators who carry out this official investigation. I am not in favor, before the end of the official investigation, of instigating criminal proceedings as some wanted me to do. I am not going to carry out an investigation against another investigation, and by this to compromise an absolute majority of honest investigators and also to arouse suspicion to this group which works at the final stage of completing this case. That is why we think that, having sorted out objectively all the events around the information leak, at the same time we should not slow down the pace of the investigation and the stages we have to go through. As for the flow of critics, I am trying to close the circuit on myself so the investigators can work in quiet and independent circumstances.

[Vasilenko] Valentin Georgiyevich, you youself can ignore this question. Do you have any idea how this information leak happened? This is phenomenal.

[Stepankov] I would not say this is phenomenal since in our practice anything can happen. Attacks on a procurator's office happen, attacks on investigators and courts happen, along with arsons, explosions, liquidation, and file stealing. Therefore, we are more used to this situation and do not make much of a fuss. There was a leak and and we have the tapes which were broadcast on television. Making copies is under discussion. SPIEGEL did not contact us for help in sorting this out, though we really did not expect help from them, but I have already mentioned that there is a political aspect here. As for some profit of executors or accomplices, this is only a component of all this. The aspect is political. I have already mentioned one problem: compromising the investigation group. The other is an attempt to present it in the way as if the conspirators were grown-up statesmen who were mischievous and in a state of intoxication and decided to organize such a show. I know, I think, and I am sure that we have far more serious evidence. So do not try to present this situation as light mischief. Besides, some certain positions are under discussion. By spreading this information an order is given on how those who are still to be interrogated and will be in touch with the investigation should behave; that is a certain position is opened. Our other materials give evidence to a number of different assessments. The court will be told this. Nevertheless, it has been done and therefore I regard it particularly as a political step.

[Vasilenko] Can you say how you feel? From where is it coming? From which side is this discreditation coming? Who stands to gain from it?

[Stepankov] For the first time we felt there was an attempt to discredit the investigation when we openly started talking about the fact that, in parallel, we are investigating a different case on the party's financial machinations. This is one thing. Besides what is currently under discussion we had more and more opponents every day. As a result of the inquest and the official investigation which had been carried out about the KGB's role in this coup, more than 30 high-ranking KGB officers, an absolute majority of them being generals, were sacked. Those who, in general, have certain connections—I mean not only friendly ties but secret service connections—and these people, having lost their official posts, started representing an enormous danger for their agents since now they are not protected. The possibility of disclosure makes the people who once serviced them ready to fulfill their will and to compromise. I think that revenge among those—including certain circles of former KGB employees who have lost their posts, not the present official leaders but those who have already left the KGB—can also be (?an obstacle) for the investigation. Using Western mass media, I think, demonstrates a wider possibility than simply a desire to make a sensation or to make some money on this case. We will publish the results of the official inquest; we are not going to hide them.

[Vasilenko] I would like to tell our listeners that I have spoken to Valentin Georgiyevich Stepankov, people's deputy of the Russian Federation and later Russian procurator general, more than once. These conversations were organized in advance or simply at meetings in the Supreme Soviet and in the Kremlin. I was very suprised to read in EXPRESS-MEGAPOLIS that to interview Valentin Georgiyevich a correspondent has to pay $250 to those who are in the waiting room of Russia's procurator general. I was extremely surprised. I respect Pavel (?Gutionov), correspondent and my colleague journalist, but I was extremely surprised. Valentin Georgiyevich, this is yet another reason why I have asked you for an interview.

[Stepankov] First of all, Gutionov has touched upon this subject about two or three times in various mass media though he has never asked me personally about this and did not show any interest in finding out what indeed was going on. The following is occurring: In the first days of the investigation, particularly, when we were working 15-hour days, an enormous number of journalists tried to interview us. We did everything possible to tell them, within certain limits, what we knew. Some, particularly Western agencies, insisted on a personal meeting with the procurator. In many cases it was refused but these insistent requests not only wanted a personal interview but also wanted to make a video for TV; these requests were satisfied. Three or four television companies were charged for this. We did not conceal this. These companies received a breakdown of how this money was spent. This money was transferred to the hard currency account of the RSFSR's Procuracy. These agreements contain the basis of the copyright which is regulated by our legislation. If Gutionov wanted to see it, he would have paid attention to the fact that there are articles there about such a personal agreement between the sides allowing such interviews. Besides, when I or anybody else participates in a television program, very often it ends up that when you leave your home address is confirmed, and in a couple of weeks you receive a fee for your participation. The same happened to Western agencies which expressed the wish, at this complicated and tense time, to receive a personal exclusive interview and this was done. We did not receive any complaints from any of these agencies which had participated in this and received the latest and most personal information. When this is seen as an advantage and presented as if there were a bribe for providing information, of course this is typical nonsense and an attempt either to settle accounts or something else instead of sorting it out.

[Vasilenko] You have not become a millionaire, have you, Valentin Georgiyevich?

[Stepankov] Even the procuracy has not become a millionaire since I have not taken a single penny. The total sum of the Russian Procuracy's account does not exceed $3,000.

[Vasilenko] Valentin Georgiyevich, I wish you firmness, adherence to principles, and good health in your most complicated case, so that it will be an open process in which you will assist.

[Stepankov] Thank you for your support. The investigation and I have only one aim: to complete the inquest and to pass the materials to the court for open and wide coverage of the forthcoming trial.

Minister Wants 'State Interference' in Reforms

PM0411111191 Moscow ROSSIYSKAYA GAZETA in Russian 30 Oct 91 First Edition p 2

[Interview with Justice Minister Nikolay Fedorov, member of the Russian State Council, by unidentified correspondent under "At First Hand" rubric—place and date not given: "To Stand Still Means to Retreat"]

[Text] [ROSSIYSKAYA GAZETA] The word "justice" [yustitsiya] translated into Russian is "rightness" [spravedlivost]. You, Nikolay Vasilyevich, are minister of justice. This endows your actions and statements with a peculiar nuance and inclines people toward trust. This is why your energetic advancement to the center stage of the August events and the series of "special opinions" in the following days provoked so much attention. Is there anything with which you are dissatisfied, Nikolay Vasilyevich?

[Fedorov] Of course, but who is content these days? There are sufficient grounds for dissatisfaction. In the two months since the putsch, Russia, or to be more exact, its leadership, has already lost the momentum several times. These losses, even if they are recoverable, will require much greater effort in the future.

To stand still means to retreat. One of the biggest "achievements" of this political fall has been the search in the brittle, newly erected wall of interrepublic accord for a comfortable niche in which the Union president might fit. That is to say, as the number one task the Union presidential structure has in effect been restored and the revival of the USSR counterfeited. I find it difficult to judge the cause; maybe it has to do with the worst of our traditions—you know, that spinelessness, feebleness, that "would not hurt a fly" attitude, but the fact is clear: They are trying to return to his former place a man who, unfortunately, has long exhausted his progressive potential both intellectually and historically and who, especially in the last 18 months, has stalled the progress of reform in Russia, brought the country to the putsch, and reduced it to complete dissolution. Surely we cannot forget this?

The people are saying: There is no room for two bears in one lair, as the rather crude folk saying goes, but there is also a political axiom: Two presidents on one territory is nonsense; if you like, it is antigovernment.

[ROSSIYSKAYA GAZETA] Obviously it is not just a matter of two presidents for one place.

[Fedorov] Of course, we must fix our position according to the strictest demands if we really want to move forward. We must give everyone his due; as the philosophers say, we must fix the point of truth, which includes a juridical assessment of what has been perpetrated. The other day in parliament, I said that all these Honeckers and Zhivkovs pale against the horizon of the communist adventurism, embezzlement of public funds, and gangsterism toward the people which until recently grew like a multi-petaled flower in our land.

Unfortunately, this malignant tumor has spread too far. The counterfeiting of frenzied activity, as already mentioned, the counterfeiting of economic reforms, by which all the last Russian premier's steam went into blowing the trumpet for the press, in speeches in parliament, and at amateur concert recitals, have proved an infectious model, but there can be no vacuum in politics. The situation that has emerged today is strongly reminiscent of 1917 when the dyarchy of the soviets and the provisional government, surrounded by the cacophony of the liberalistic intelligentsia, plunged the fascistic forces into temptation.

This is why what is required today, if we do not want a repeat of the past, is the implementation of reforms not just quickly, but with mighty—I do not fear to say, total—state interference. Enough talk about free enterprises—we need to give them straightforward and comprehensible laws and then register the licenses in five minutes flat. Enough talk about the need for parasites to prepare for burial—we should immediately declare nonprofitable enterprises bankrupt. Enough talk about privatization—we should sell state enterprises into the hands of those who can breathe new life into them without delay, but with maximum benefit to society. Enough talk about land reform—we must kiss the hopelessly "bedridden" kolkhozes and sovkhozes good-bye once and for all. We must kiss good-bye everything which has latched on tightly to the umbilical cord of the state budget and which is dragging us under like deadweight. If they will not break loose, let us cut them off at the root; there is no other solution. This must be done legally, with the civilized legal instrument.

If we do not do all this, rest assured that others will. Zhirinovskiy and his ilk already stand ready and waiting, speaking openly about their intentions, and they will be able to fully exploit people's dissatisfaction and all the elements which may arise from it. You would have to be blind not to see the threats from neofascists and dead not to feel their breath on the back of the neck of our newborn democracy.

[ROSSIYSKAYA GAZETA] So you are saying democracy via extreme measures?

[Fedorov] Yes, that is what it amounts to. But I repeat once more: These emergency measures can and must be based on the law. Because a state which is incapable of defending the interests and rights of its citizens through coercion is not worthy of respect, and its laws are also unworthy of respect. When all is said and done, there is a limit to what is called the "policy of inducements," to sucking up to all and sundry to the detriment of the interests of millions of people. The experience of revival in the most liberal countries suggests the inevitability of strong state interference.

[ROSSIYSKAYA GAZETA] Can one assume that what you have said also applies to what the Bolsheviks termed the nationalities question? Today's Tataria, for example?

[Fedorov] If we do not stop the straightforward antistate, unconstitutional antics of some leaders today, after the experience of the State Committee for the State of Emergency [SCSE] and, on the other hand, after the experience of Gorbachev—if we do not stop these leaders using all legal methods, virtually no one will envy Russia's future.

Look at this remarkable detail: During the putsch the USSR Ministry of Internal Affairs kept the CPSU Central Committee up to date on the situation in the country. Bulletin No. 1/3120 for 21 August begins with a joyful report that the formation of the USSR SCSE and the introduction of the state of emergency have been received in some regions as mandatory and essential measures. In other words, regions where the most favorable atmosphere for the putschists prevailed had been specially marked out, and what locality heads the list in this report, do you think? It is Tatarstan. That is to say, an inference may be drawn—there is a direct link between the current "special position" of the leaders there toward the Russian leadership, their speculation on the idea of sovereignty, and their adherence to the old, dead structures—a link about which they prefer to keep silent.

The same might be said about Udmurtia. On the one hand, sovereignty has been proclaimed in Izhevsk. On the other, a coded telegram was sent 19 August from Udmurt Republic Committee to the SCSE expressing "full support for the first steps taken by the USSR SCSE" and proposing that a control organ be set up under its auspices with powers extending to the republics of Russia. So what about their proclaimed sovereignty? Surely they had not forgotten about it?

The further you go into the woods, the more frightening it gets, so the saying goes: Next in line is Checheno-Ingushetia, followed by other republics where a national guard, armed detachments with the most modern weapons, and so forth are being formed. In other words, what I am saying is that Russian politicians should have run to catch up with events, putting out fires in one place after another, as our energetic vice president is having to do now. What is required is a clear policy with regard to separatists, and the implementation of such a policy.

Further Reportage on Yeltsin's Reform Plans

Filshin Cited on Price Policy

PM0411143991 Moscow IZVESTIYA in Russian 31 Oct 91 Union Edition p 2

[Interview with Gennadiy Filshin, acting minister of foreign economic relations, by an unidentified TASS correspondent specially for IZVESTIYA; place and date not given: "Gennadiy Filshin: Statement on Russian Currency Was Tactical Move by President"]

[Text] The possible introduction by Russia of its own currency if the republics go ahead with introducing their own currencies and do not agree to set up a single interrepublic bank was mentioned by Boris Yeltsin in his speech at the Congress of Russian Soviet Federated Socialist Republic [RSFSR] People's Deputies. Assessing the consequences of this step, Gennadiy Filshin, acting Russian minister of foreign economic relations, commented as follows on the Russian president's speech:

[Filshin] I think that in talking about the possibility of Russia bringing in its own currency, Yeltsin was making a tactical move and attempting for the umpteenth time to encourage them to take a more sensible approach in the financial sphere. At the professional level this question does not arise at all because we can ensure our own sovereignty far more simply—by setting quotas for each republic's emissions, for instance, and such quotas would not exceed a set percentage of national income or some other indicator. The uncontrolled emissions which have occurred recently would finally be restricted. I believe that it is absolutely necessary and entirely realistic to restrict emissions on the basis of interrepublic agreements.

The whole problem is that in many republics political motives prevail over common sense and economic expediency. Talking about Russia's possible introduction of its own currency, Yeltsin called on the republics yet again to soberly assess the consequences of such a step. I think that this assessment will be made.

[IZVESTIYA] Was the statement about the intention to set up a Russian customs service also another warning?

[Filshin] Yes, Yeltsin was clearly hinting that this is not our policy, not our approach, but if you want to impose this decision on us then please assess all the economic consequences for your own economies and for your own population. It was a serious warning, an appeal to ponder the fact that Russia will not be the breadwinner forever or a state which will endlessly sacrifice its own resources for others.

[IZVESTIYA] In his speech Boris Yeltsin stated that aid and credits to foreign countries would be completely suspended. Does this apply solely to no-strings aid, or does the Russian president's statement mean that any form of credits will be refused?

[Filshin] It is merely a question of refusing to support various regimes for ideological reasons. This refusal is long-standing—the relevant decision was passed by the USSR Supreme Soviet last year, but Union administrative organs have failed to carry it out. As one of the leaders of the USSR Supreme Soviet Plan and Budget Commission, I inquired about the level of such aid, but I received either incomplete or distorted information. Later, when I was Russian deputy premier, I obtained documents showing that this aid had continued to be provided in the form of food, equipment, dollars, and oil. The Union organs responsible for foreign economic policy had sabotaged the Supreme Soviet decisions.

In an attempt to clarify the scale of this aid, I got as far as the figure of 10 billion foreign currency rubles a year. Actually it is even higher, but I could find no documentary evidence to prove it. To a considerable extent we are talking about indirect spending, and so you have to take the route of expert assessments and comparisons.

We now simply have to return to the Union parliament decisions of 18 months ago—after all, we had then told the entire world that we would not be providing aid for ideological reasons.

As for the question of our investments abroad in building various civil projects and so forth, the interrepublic conference of the leaders of foreign economic departments recently decided to review the effectiveness of this action and our potential. Where possible we should continue this activity, since it is mutually beneficial. We should not approach these issues solely on the basis of our current interests. We have highlighted 150 main projects, work on which will have a very great impact and is already producing great benefits.

Yes, we are currently experiencing colossal difficulties, but we cannot leave our construction projects to the whim of fate without deciding what to do with them in the future—sell them off or bring in foreign capital to complete them. For instance in Egypt—which I recently visited—our cooperation is held in such high esteem that they are now prepared to give us aid precisely for having created Egypt's industrial base. Moreover, construction of projects abroad is the only way to sell our equipment and machinery.

[IZVESTIYA] The one time unfreezing of prices which has been announced will clearly require a great deal of preparatory work. Is it realistic to implement it this year?

[Filshin] We have been sitting around for so long that there is no time left. Of course, in order to move to free prices certain preparatory and accompanying measures will be needed. These are already quite far advanced.

Price liberalization in the absence of competition is a terrible thing. We need to also take measures in demonopolization, privatization, and the liberalization of foreign economic activity.

The government should think very hard about even implementing these accompanying measures in advance. I think that we will have to remove all obstacles in the way of commodity and food "intervention" from abroad and create favorable conditions to ensure that rubles earned from the sale of imports go to develop our export potential. We do not need to invent anything; other countries have been through this stage. All these measures will not require any prolonged preparations and could be adopted overnight.

Corresponding draft legislation and delegated legislation is being drawn up to create a mechanism to ensure rapid implementation of these measures. Russian citizens should be aware that they are not simply being pitched into a market abyss or left to the whim of fate.

Ministry Aide on Price Liberalization

PM0411114191 Moscow SOVETSKAYA ROSSIYA in Russian 1 Nov 91 p 2

[Interview with Vladimir Zverkhovskiy, chairman of the Russian Soviet Federated Socialist Republic Economics Ministry Prices Committee, by TASS correspondent V. Petrenko under the "Facts From First Hand" rubric; place and date not given; "The Market Dictates Prices"; first paragraph is introduction]

[Text] "The one-shot 'unfreezing' of prices will be effected this year," Republic President Boris Yeltsin stated at the Congress of Russian Federation People's Deputies. The measure is quite an important one and is certainly painful. A TASS correspondent invited Vladimir Zverkhovskiy, chairman of the Russian Soviet Federated Socialist Republic [RSFSR] Economics Ministry Prices Committee, to express his view on this problem.

[Petrenko] Vladimir Aleksandrovich, what has led to the need to "unfreeze" prices?

[Zverkhovskiy] The market, of course. If we proceed toward it, it is perfectly clear that we cannot move in this direction with rigidly fixed prices. After all, until now an extremely centralized system of prices has existed in the country, the like of which exists nowhere else, not even in Poland and Bulgaria which have taken "shock therapy" as a model. The former of these two countries reached this stage in 1989, but liberalization of prices began back in 1977. As we can see, as it moved toward the market it passed through certain stages.

On the other hand, the intention behind the process of introducing free prices is to absorb the population's "spare" money, which today amounts to about 200 billion rubles and, of course, to increase the amount of money in circulation. This system of economic management will of course actively stimulate the production of goods by transferring capital to the sectors producing them.

In this instance, let me note that in the process of "unfreezing" prices, the state should not surrender control of prices for the most important types of production-technical output, goods in mass demand, and transportation and other services, as is done in the United States and most civilized states. Today's most modern market exists in Japan, but even the government does not have the right to raise the price of rice, for example, which is the population's staple food product. This is the prerogative of parliament alone.

[Petrenko] Economists and economic managers are currently divided in their opinions on the ways and means of liberalizing prices. What is your opinion on this process?

[Zverkhovskiy] In fact, specialists are basically proposing two fundamental approaches to "emancipating" prices for goods. The first is the simultaneous and across the board introduction of free prices with a sharp increase in the price of all goods and services.

Several negative factors make this approach extremely dangerous. These are primarily the absence of free markets for goods, a labor force, finances, and hard currency. The same holds true for the general shortage, mass monopolism, and the absence of real competition, and it is impossible not to take the collapse of finances and the money supply into consideration.

Therefore, the second path is more acceptable—the step-by-step liberalization of prices envisaged by the program adopted by the Russian Government in June. What is contemplated? In accordance with the program it is proposed to regulate the state level of wholesale prices for what are professionally termed the most important structure-determining types of industrial production, mainly in the fuel and raw material sectors. The same applies to purchase prices for the minimum necessary volume of the most important types of agricultural produce, a small number of staple foodstuffs, and children's goods, medicines, and charges for communal housing and transport services. Naturally, if we follow this option, market prices will also predominate and will grow considerably in overall terms, but this increase will be much less than in the first—100-percent market—approach.

Burbulis on Economic Reforms

AU0411175791 Hamburg DER SPIEGEL in German 4 Nov 91 pp 196-197

[Interview with Gennadiy Burbulis, Boris Yeltsin's chief of staff, by an unnamed DER SPIEGEL journalist; place and date not given: "A Game With High Stakes"]

[Text] [DER SPIEGEL] Gennadiy Eduardovich, on 28 October your president announced a rigorous reform program. Does this end the speechlessness of the Russian victors 10 weeks after the putsch?

[Burbulis] There was no speechlessness. After the long, tiring confrontations with the Union center, we had to regroup our forces and formulate completely new strategies in view of the completely changed situation. President Yeltsin announced these strategies to Russia on 28 October; now practical policy will be pursued.

[DER SPIEGEL] For that purpose Boris Yeltsin recommended himself to head the Russian Government. Is his prestige supposed to keep the people together in view of the coming unpopular steps?

[Burbulis] We will find a way out of the misery only under three preconditions: The government must be headed by professionals, they must be supported directly by the number one man in the state, and we must win the people's trust. There is no one other than Yeltsin who would be able to do that.

[DER SPIEGEL] With this he places his political fate on one card. What happens if the promised upswing is not in sight by autumn 1992?

[Burbulis] Yeltsin has always played with high stakes. We had to ask ourselves: What will happen with the Russian people if nothing moves over the next few months? In the past the totalitarian communist regime was our opponent. Now the majority of the people, who finally want to live better but often are not willing to do something for it themselves, might become our opponents.

[DER SPIEGEL] The rapid decline of the Russian leadership's image after the putsch was quite obvious.

[Burbulis] Yeltsin's image is sufficiently stable. Those Russians who accused him of doing nothing forget one thing: In the past the state consisted exclusively of the Communist Party, where all the poison of Soviet totalitarianism was concentrated. The failed putsch destroyed this monster, and its poison oozed out into all pores of society.

[DER SPIEGEL] You mean the functionaries, the ideas of the old Communist Party, are still effective?

[Burbulis] Within one month almost all Communist Party district secretaries and the rest of the nomenclature sat in new chairs—in the executive organs everywhere in the rural areas and at the heads of the big companies. The party had prepared for this situation for two years, commercially as well. This is a mine with enormous explosive power. Where is there a state in which the executive branch opposes the head of state?

[DER SPIEGEL] Why do you want to postpone the necessary regional elections for a year?

[Burbulis] The quarrel of whether one should appoint or elect the administrative chiefs of the government districts is unrealistic. If one held elections in the regions today, those who promise the people heaven on earth but would not implement our reforms would win.

[DER SPIEGEL] You will disappoint your own followers, the Democratic Russia Movement.

[Burbulis] "Democrat" is not a title one has for life. Instead of privatization some of our previous fellow fighters now demand that wages be linked to the index and billions are spent on subsidies so as to improve the situation of entire social groups immediately—instead of finally privatizing the economy. We must now find unconventional safeguards for our reforms. There is simply no time for months of discussions anymore.

[DER SPIEGEL] And what does unconventional mean?

[Burbulis] The president must be able to regulate with his decrees the files that have so far been controlled by laws. Second, the parliament presidium is to receive the right to pass legal instruments without long sessions by the Supreme Soviet. Third, the provinces must be able to issue their own laws for operational reasons: privatization in the area of Ivanovo is something different than in Sverdlovsk, where 90 percent of industry consists of military or armament enterprises with enormous staffs.

[DER SPIEGEL] Will that not again give rise to the accusation that you are authoritarian?

[Burbulis] If someone shows us a better way to distribute the land or to promote companies, he is welcome to do so. Yeltsin not only has to push ahead with these changes, but he also has to subject an entire people to some sort of psychotherapy. The problem is not only the empty shops but dozens of millions of people who grew up with a completely different philosophy of life.

[DER SPIEGEL] Your leadership thus bids farewell to populism. First of all, you want to release prices. When will that start?

[Burbulis] The release of prices must be prepared by a corresponding bank policy, a demonopolization of the economy, and the supply of goods in sufficient amounts. After all, price is to become a regulatory element. At the moment it cannot be predicted whether this will happen on 1 January 1992 or on 1 February.

[DER SPIEGEL] By then you certainly cannot privatize the trade network and establish competition. Does this not mean that the pockets of the monopolists will continue to be filled but not the shelves in the shops?

[Burbulis] Of course, we have to establish a safety net for those Russian citizens who will suffer most under the radical changes. We must take care of millions of people and provide welfare measures to them, but we want to make the working people aware of the fact that human labor, too, is a specific kind of merchandise and that its price, wages, must be regulated freely, too.

[DER SPIEGEL] The trade unions are already in the streets and demand "wages that are appropriate to the market." In parliament there is already a discussion about imminent mass uprisings.

[Burbulis] The trade unions still believe that the state alone must regulate everything. We see only one way out: some sort of standstill agreement of all political parties and movements, some sort of coalition document.

[DER SPIEGEL] The beginnings of a free housing market and the sale of unprofitable kolkhozes are already running up against iron barriers.

[Burbulis] Here, too, your doubts are justified, but these deficit companies are devouring our state budget. There will be enough people who will buy land and found cooperatives or shareholding companies.

[DER SPIEGEL] In some things Yeltsin's White House practically imitates the old center: Your president warns the autonomous republics in Russia against seceding as small duchies. Do you want, for instance, to call the rebellious Chechens in the Caucasus to order militarily?

[Burbulis] If we are striving for Russia's full sovereignty, we also have to discuss borders and the future powers of the autonomous republics. Finally, we must convince the Chechens and the Tartars that we do not want to revive the old imperial structure but move toward a democracy. This absolute striving for sovereignty has already become pathological. It is impossible for dozens of states to develop on Russian territory.

[DER SPIEGEL] Do you want to invade the area or not?

[Burbulis] Of course we cannot invade it. In order to clarify the status of each republic, one has to turn to the people because the time when "leading persons" spoke on behalf of the republic is over. Here, too, it is true: The faster we make progress with the radical reforms, the sooner the pathological element of the basically legitimate desire for independence will disappear.

Economist Views Reform Program

LD0411191991 Moscow TASS International Service in Russian 1322 GMT 4 Nov 91

[By TASS correspondent Vitaliy Djibuti]

[Text] Moscow 4 November (TASS)—I unconditionally support the economic reforms outlined by President Boris Yeltsin, but as a professional, I have no right to discuss them until I have actually seen the specific government program which will be presented by the Russian Cabinet, stated well known Soviet economist Stanislav Shatalin, interviewed by a TASS correspondent. The intention is to carry out privatization, but all the stages and measures for this process have to be specified. Failure to do this could lead to most unexpected results.

According to Stanislav Shatalin, indexation should be carried out together with differentiation. There are branches of the economy that are engaged in commercial activities, and there are areas which remain within the budget sphere. People employed in these areas have various incomes. The political economist should demonstrate his wisdom by carrying out the indexation in such a way as to avoid heading for hyperinflation. At the same time it is necessary to protect certain groups of the population.

According to Pavel Bunich, another well known economist, there is a big difference between compensation and indexation. Compensation follows price growth but not in the same proportion, and indexation means increasing wages in the same proportion to price growth. Today, said the economist, many people in Yeltsin's circle are against indexation, but I think this is wrong.

Rutskoy Calls For Support

LD0511120991 Moscow Radio Moscow World Service in English 0900 GMT 5 Nov 91

[Text] The leader of the Free Russia People's Party, Aleksandr Rutskoy, has called on all political forces and movements to unite in support of the Russian president and government's economic reform policy. Set up last week, this party intends to promptly get into the parliamentary struggle. Although it appeared on the basis of a parliamentary faction—Communists for Democracy—the party gave up the CPSU's principles and according to its leader, Aleksandr Rutskoy, is not going to worship the Marxist-Leninist doctrine. He said that all that has been created by mankind was acceptable to his party. Aleksandr Rutskoy is Russia's vice president. Leading the Free Russia People's Party is his public activity.

Yeltsin Spokesman Rejects Report on Lobov

LD0511113191 Moscow TASS in English 1013 GMT 5 Nov 91

[Text] Moscow November 5 TASS—Pavel Voshchanov, press secretary of the president of the Russian Federation, has denied a report by the RUSSIAN NEWS AGENCY (RIA) that Boris Yeltsin decided against including Oleg Lobov, who is now the first deputy prime minister of the Russian Federation, in a new government of Russia.

According to RIA, this attitude of the president of the Russian Federation is accounted for by the fact that Lobov was implicated in the 1991 August coup-related events.

On behalf of the president, the press secretary drew the attention of the RIA leadership to the inadmissibility of circulating this kind of reports "which not only question public trust in one of the leaders of the Russian state but also cast aspersions on his honour and dignity".

Yeltsin Meets With Russian Industrial Lobby

PM0411164791 Moscow IZVESTIYA in Russian 2 Nov 91 Union Edition p 2

[TASS observer L. Aleksandrova report specially for IZVESTIYA: "Deregulated Prices Will Be Accompanied by Deregulated Wages"]

[Text] Boris Yeltsin's meeting with representatives of the Russian parliamentary "Industrial Union" group, which was held at the Russian Soviet Federated Socialist Republic [RSFSR] president's Kremlin residence on 31 October, was devoted to problems connected with implementing the radical economic reform and the role of leaders of major industrial enterprises in this reform.

Replying to questions, Boris Yeltsin said that a draft decree on price liberalization is ready, but he declined to give a specific date for when it will be signed, "so as not to agitate the population." According to his words, "it is not desirable" to procrastinate. The president announced that supplements to the draft decree specify commodities and food products for which prices will continue to be regulated. They include coal, oil, gas, fuel, precious metals, and other goods, and the following food products: milk, bread, salt, children's foods, and vodka.

The deregulation of prices, the president went on, will be accompanied by a deregulation of wages in the physical production sphere. Consumption fund restrictions are also going to be lifted. Amendments to taxation legislation will be adopted. In particular, it is planned to abolish the tax on capital investments.

The RSFSR president believes that there is no need for haste regarding the privatization of large enterprises. "I am in favor of turning them into joint-stock companies," he emphasized, while at the same time advocating the speediest possible privatization of trade and small enterprises. In his opinion, the privatization process will speed up after the division of property between the Russian Federation and local authorities which will be implemented in two weeks. "We will be able to take what we need," he said with respect to former Union property.

Touching upon mutual relations between Russian enterprises and Union departments, Yeltsin called on those present "not to gear themselves to Union structures." "The Union is still trying to preserve what it can of the rigid structures, but it will not succeed—the republics will not agree to this," he added. With a month, 70 ministries are to be abolished.

Regarding the future of the Russian Government, at the head of which the RSFSR president intends to place himself, it is planned to almost halve the number of its ministries. There will be five blocs of six to seven ministries, and each bloc will have a leader. The work of these leaders will be coordinated by a minister coordinator, essentially a first deputy premier. Boris Yeltsin gave preliminary backing to the request of the representatives of the "Industrial Union" that Yuriy Skokov be appointed to this post. Commenting on proposals to include Vladimir Shcherbakov in the government, he declared that he regards this as politically inexpedient, since the latter had compromised himself, albeit slightly, during the putsch.

Boris Yeltsin dwelt in particular on economic relations with the Ukraine. Even if it declines to join the treaty, trade and economic ties between Russia and the Ukraine will not only be maintained but will even increase. This is envisaged by the draft treaty on bilateral cooperation, which is virtually ready.

Nevzorov Confirms Receiving KGB Information

OW0211035991 Moscow INTERFAX in English 1930 GMT 1 Nov 91

[Transmitted via KYODO]

[Text] [Aleksandr] Nevzorov [Leningrad TV reporter] confirmed on Friday [1 November] allegations that all past summer he had received secret information and instructions from the USSR KGB. He said he accepted those packets at a personal request by the former chairman of the USSR Supreme Soviet Anatoliy Lukyanov. The KGB packets were delivered to him by a man from the KGB department on defence of the Constitution who published the story in St. Petersburg papers yesterday, Thursday [31 October].

KGB Chairman Says Dec Revolt Possible

LD0511094491 Moscow TASS International Service in Russian 0835 GMT 5 Nov 91

[Text] Moscow, 5 Nov (TASS)—"It is quite likely there could be a revolt in December," according to Major General Viktor Ivanenko, chairman of the Russian Soviet Federated Socialist Republic [RSFSR] KGB. Talking to a correspondent from ARGUMENTY I FAKTY, he said that "there are some signs that people dissatisfied with the political line of the Russian leadership are getting restless." He does not, however, think that "they present any serious threat." "The main danger today is a series of directed social explosions: the people are exasperated, rumors are flying about price liberalization happening very soon, and add to that the irregular supply of the most basic foodstuffs," the head of the Russian security bodies thinks. "Our staff is entering into a dialogue with representatives of those social forces that are trying to bring about social explosions."

Speaking about the functions of his organization, the general stressed that "we are now moving away from total control of the situation in all spheres of society, we are now serving the interests not of the party elite but of the law." He said that what is needed now is at least a temporary regulation on the KGB's activities, in the form, for example, of a Russian presidential decree or a Supreme Soviet decision. Asked by the corespondent "why the leaders of the Moscow mafia, among whom there were also top party leaders, had not yet been arrested," Viktor Ivanenko said that this topic could be discussed when the evidence is brought to court. He said "the issue is a very delicate one." Regarding the possibility of creating Russian intelligence structures aimed at Latvia, Lithuania, Estonia, and Georgia, the major general said: "Everything depends on how relations with these states develop and what sort of threat they and their special services represent to the interests of the Russian Federation."

Ministry on CPSU 'Secret Financing' Abroad

LD0211140291 Moscow Russian Television Network in Russian 2100 GMT 30 Oct 91

[From the "Vesti" program]

[Text] As the RIA agency has found out today, the Russian Ministry of Foreign Affairs has requested that Soviet embassies abroad pass on any information they have regarding the CPSU's secret financing of the activities of communist and workers' parties overseas.

Procuracy Investigates Financing

LD0411234591 Moscow Radio Rossii Network in Russian 2100 GMT 4 Nov 91

[Text] As RIA was informed at the press center of the Russian Soviet Federated Socialist Republic [RSFSR] Procuracy, on 10 October this organ initiated criminal proceedings and is now investigating the case regarding the export of currency of the CPSU from the USSR. At first the investigation was carried out within the framework of the case involving the State Committee for the State of Emergency, but when the scale of the phenomenon had become clear, a decision was adopted to institute separate criminal proceedings on the strength of Articles 69, 78, 88 part 2, and 170 part 2 of the RSFSR Criminal Code. A special investigation group of 40 people has been formed; it includes investigating officers of the Procuracy and a task force from Russia's Ministry of the Interior.

Discussions Held on Nuclear Testing Moratorium

LD0511020191 Moscow Russian Television Network in Russian 2100 GMT 4 Nov 91

[From the "Vesti" program]

[Text] Representatives of the Soviet Peace Committee and the Archangelsk branch of the Novaya Zemlya-Nevada committee and Russian Soviet Federated Socialist Republic Ministry of Foreign Affairs have gathered today to discuss a series of questions connected with the decision by the president of the republic to suspend nuclear tests in Russia.

[Correspondent V. Budnikov] The participants have noted that while there is a tendency abroad for the consistent reduction of the number of the nuclear tests, our policy in this sphere has been extremely inconsistent. One minute we announce a full unilateral moratorium, the next minute—after nobody is seen to be joining it—explosions follow with rapid progression. In order to avoid repeating this sad experience, Russia should use all channels and opportunities to turn this moratorium into a universal and permanent one, especially now that the situation is beneficial for this.

The Chinese are not against the moratorium and have so far abstained from tests. The U.S. Administration has been called upon by 109 congressmen to follow Russia's example.

[Moscow TASS in English at 1803 GMT on 4 November quotes Vladimir Kozin, a representative of the Russian Foreign Ministry, as saying that the one-year moratorium on nuclear tests should become permanent. He says: "Our major task is to urge nuclear powers to join the moratorium and, then, stop for ever nuclear tests in all environments."]

Yeltsin Representatives Hold Moscow Conference

LD0211214791 Moscow Radio Rossii Network in Russian 2100 GMT 31 Oct 91

[Text] A conference of representatives of the Russian Soviet Federated Socialist Republic [RSFSR] president in krays, oblasts, autonomous oblasts, and autonomous okrugs of the Russian Federation has taken place in the RSFSR House of Soviets. There was an lively discussion on the aims of this new institution of presidential power, the functions and powers of the representatives, and the organization of their work and the work of the Control Directorate which is taking shape.

After an introductory speech by RSFSR Chief State Inspector Makharadze, a lively discussion began. The representatives of the RSFSR president exchanged opinions on the course of the Fifth Congress of RSFSR People's Deputies and on practical tasks following from the RSFSR president's address to the peoples of Russia and to the Congress of People's Deputies of the Russian Federation and on the drafts of legislative acts which have been submitted. We received this information from the Control Directorate of the RSFSR president's administration.

Socialist Party Holds News Conference on Aims

LD0211184491 Moscow Russian Television Network in Russian 1100 GMT 30 Oct 91

[From the "Vesti" newscast]

[Text] There is no doubt that communist ideas are still alive in our country, regardless of most people's attitude. In one of his latest speeches, Aleksandr Nikolayevich Yakovlev spoke of the fact that in the new situation the democrats who have taken power have a vital need for opposition, just as it was essential earlier for the CPSU when it was in power. That is why many observers regard the emergence of supporters of socialism as a positive factor in the country's development. Here is our correspondent's report about the first steps in the work of this party.

[Unidentified correspondent] It has been only a few days since the Socialist Party of the Working People held its constituent conference, but its organizers, headed by Roy Medvedev, have already held a news conference at which it became clear that today's socialists are struck by pessimism and a lack of confidence. For instance, Roy Medvedev guaranteed that Yeltsin's economic program would completely collapse. The socialists themselves do not know a concrete way out of the crisis, but call for relying upon some mysterious experience of the people. The socialists think that the CPSU's program, adopted at the last plenum, corresponds to people's experience more than anything else. They intend to be guided by it while developing a program of their own. As it is expected that the new party will have a powerful intake of former CPSU members, its creators think that in time it will be possible to try to lay claim to a part of the CPSU's property legacy.

Democratic Party Makes Claims Against Popov

LD0311093291 Moscow Radio Rossii Network in Russian 0200 GMT 3 Nov 91

[Text] Today a new enemy appeared for the Moscow mayor—the Moscow organization of the Democratic Party of Russia [DPR]. The DPR has many claims against Gavriil Popov, the main one being his encouragement of today's version of privatization. In the opinion of Nikolay Travkin's supporters, this is aimed only at enriching a small circle of people with access to power. Popov is even accused of being too willing to use cadres from the old nomenclature and of appointing to important posts people who are devoted but inexperienced, TASS reports. On the whole, the DPR's Moscow organization believes Popov is conducting the reforms in such a way as to be advantageous to a narrow circle of individuals who are a long way from the people. The DPR counts on acquainting the public with the particularly outstanding achievements, in quotes, of the mayor and if he does not change his policies then it is completely probable that a campaign will begin for his resignation. There are many people dissatisfied with Popov, and it cannot be ruled out that the DPR will not be able to gather them together. I am quoting TASS on the words of one of the participants in the news conference.

External Affairs

Negotiations With Ukraine End; Agreement Signed

LD3110233391 Moscow Central Television First Program Network in Russian 2055 GMT 31 Oct 91

[From the "Television News Service" program]

[Text] Negotiations between government delegations of Russia and the Ukraine have ended. At the final press conference it was stated that the sides reached full understanding on a wide range of issues, including such issues as borders, national minorities, and nuclear weapons. Andrey Kozyrev and Anatoliy Zlenko, ministers of foreign affairs, signed a protocol on cooperation and coordination of activities of the Russian and Ukranian foreign policy departments.

[Begin recording] [Kozyrev] We confirmed today the strategic course of the leadership of both republics for strategic cooperation in all fields: military and political, economic, humanitarian, international, and strategic cooperation. At the same time we respect mutual choices and sovereignty.

[Morozov, Ukrainian minister of defense] The most important issues were confirmed—the issues of defense and a state's right to defend its democracy—but one has to build one's own armed forces in a civilized way and on the basis of a mutual agreement. [end recording]

Possibility of 'Nuclear Attack' on Ukraine

924P0012A Moscow RABOCHAYA TRIBUNA in Russian 25 Oct 91 p 1

[Article by Aleksandr Krotkov: "Blast Waves of Nuclear Jokes"]

[Text] **The sensation surrounding a hypothetical nuclear attack on the Ukraine, the possibility of which has allegedly been discussed in the Russian leadership, is gaining momentum. In the wake of MOSKOVSKIYE NOVOSTI, which gladdened its readers in a period of a subscription campaign with this sensation, fuel has been added to the fire by NEZAVISIMAYA GAZETA, which carried in yesterday's edition an interview with Konstantin Masik, first deputy chairman of the Ukrainian Council of Ministers. The latter confirmed that in response to a direct question of his concerning a nuclear attack Yeltsin had replied that he had discussed such a possibility with the military and that there were no technical possibilities of it happening.**

A few days earlier the Russian leadership, I will recall, had categorically rejected this information as disgraceful, absurd gossip for which there was no justification, and now, however it moves, it has found itself in a very difficult position. If Boris Nikolayevich attempts to refute Masik's words, he will be accusing a leader of a sovereign republic of slander, and it would be difficult to expect any political or economic success at negotiations.

Another version of the development of events—namely, that Yeltsin confesses—is dubious. Yes, he says, I acknowledge it; I am sorry. I venture to assume, for that matter, that in reality negotiations did not take place. Let us once again try to understand the words which Masik attributes to Yeltsin: "...there are no technical possibilities." Just a minute! This is rubbish. There certainly are technical possibilities for this insanity!

Incidentally, the USSR Defense Ministry Press Center, to which we turned for explanations, considered the very formulation of the question provocative and counseled "so serious a paper as RABOCHAYA TRIBUNA to pay less attention to such unserious statements."

Perhaps Boris Nikolayevich was making an unsuccessful attempt at a joke, deciding to play a practical joke on his partner, playing up to his fears. It has been noted that Yeltsin, when in the mood, is inclined to make jokes with so serious a countenance that only his raised brows and barely perceptible smile give him away. If this really was a joke, it was in very bad taste and extremely beneficial to Ukrainian separatists and a loser for Russians. To employ football terminology, it cannot be ruled out that Boris Nikolayevich intended an effective play action but, as a result, scored a safety—if, of course, Masik is telling the truth. Lev Sukhanov, an aide to the president of the Russian Soviet Federated Socialist Republic whom we contacted, believes, for example, that "this is an invention."

Some commentators seriously believe that there are sufficient grounds for the Ukrainian leader's "exaggerations" (let us say). On 22 October this republic's parliament enacted a whole package of military laws, which, in particular, assume that for a transitional period the Ukraine will have nuclear weapons—in spite of the concept of military reform prepared by the corresponding committee under the auspices of the USSR State Council and approved by Mikhail Gorbachev. The draft calls for the basis to be the need to preserve **unity in the control of the strategic nuclear forces.** After all, if the property claims in respect to missiles and nuclear-powered battleships go too far, they run the risk of blowing up not only Russia and the Ukraine but also the whole planet. If only this were understood by the high contracting parties. Then who knows, favorable soil for the nuclear scandal would not have been created.

But the entire blame cannot be heaped on the Ukraine, for that matter. With certain ill-considered statements about sovereignty, Russian leaders also have accelerated the centrifugal wave which is from day to day assuming the shape of a tidal wave.

International Affairs

U.S. Defense Official Meets Vice President

LD0211190491 Moscow TASS International Service in Russian 1535 GMT 2 Nov 91

[By unidentified TASS correspondent]

[Text] Moscow, 30 Oct (TASS)—The main topic of conversation between Russian Vice President Aleksandr Rutskoy and Donald Atwood, U.S. deputy secretary of defense who is in the USSR on a visit, were prospects for the development of bilateral cooperation, including such an important sphere as conversion. Aleksandr Rutskoy's interest in today's meeting is also due to the fact that

Russian President Boris Yeltsin instructed him personally to supervise the work of the interrepublican committee for the problems of conversion which was set up recently. As known, Americans have accumulated certain experience in using some of their defense industry potential for peaceful purposes.

Comments on Military 'Conversion'

OW0411035791 Moscow INTERFAX in English 2014 GMT 3 Nov 91

[Transmitted via KYODO from the "Business Report"]

[Text] After visiting military-industrial plants in St. Petersburg, the U.S. Deputy Secretary of Defense, Mr. Donald Atwood, announced that participation in the conversion of Soviet optical, electronic and shipbuilding industries would offer great opportunities to American businesses. He added, "St. Petersburg industry displays outstanding technology and a qualified work force." Mr. Atwood also said that the Pentagon will assist American corporations which wish to begin "direct consultations and investments" in St. Petersburg military enterprises.

Sakhalin Governor on Yeltsin 'No' on Kurils

OW0411124291 Moscow INTERFAX in English 1140 GMT 4 Nov 91

[Transmitted via KYODO]

[Text] Head of the Sakhalin administration, Valentin Fedorov, said on Monday [4 November] that during his brief meeting in Moscow with president of the Russian Federation, Boris Yeltsin turned down the plans for passing the South Kuril Islands to Japan and said that he had not authorized anyone to speak on the problem on his behalf.

"We have received the president's emphatic 'No' on the Kuril problem," Mr. Fedorov told Sakhalin radio. This fills us (the Sakhalin authorities) with optimism," he said, "but it is early yet to discard the problem because talks with Japan will be held by the Foreign Ministry of the Russian Federation."

Mr. Fedorov also said that during the Congress of People's Deputies of the Russian Federation, he had had a private meeting with Deputy-Foreign Minister of the Russian Federation Georgiy Kunadze. He said that his almost 60-minute talks with Mr. Kunadze suggested that the Foreign Ministry of the Russian Federation, including Foreign Minister Andrey Kozyrev, "could not be trusted" as far as the Kuril problem went.

Yeltsin, Latvian President Discuss Relations

LD0211142391 Moscow Central Television First Program Network in Russian 1900 GMT 30 Oct 91

[From the "TV Inform" program]

[Text] On his own initiative Boris Yeltsin telephoned Latvian President Anatolijs Gorbunovs today. They touched on questions pertaining to bilateral economic relations and also discussed the problem of protecting the Russian-speaking population. An accord was reached on joint actions in the near future aimed at resolving this problem.

Yeltsin and Gorbunovs agreed on preparing a comprehensive treaty between Russia and Latvia as two independent states. It was decided to form official delegations at governmental level to discuss and prepare the interstate document.

Latvia To Pay Hard Currency for Petroleum Goods

LD0411145291 Moscow Central Television First Program Network in Russian 1300 GMT 4 Nov 91

[From the "Television News Service" program]

[Text] Russia is moving to new trade principles with the Baltic countries. Officials at the Russian Economics Ministry responsible for coordinating intergovernment treaties have told Latvian representatives that Russia will supply petroleum products, coal, and steel for hard currency.

Estonia's Ruutel, Yeltsin Hold Talks in Kremlin

OW0211170991 Moscow BALTFAX in English 1430 GMT 2 Nov 91

[Transmitted via KYODO]

[Text] At their talks in the Kremlin on Friday [1 November] the chairman of Estonia's parliament Arnold Ruutel and Russia's President Boris Yeltsin focused on the issue of border between Estonia and Russia. Besides, they discussed problems connected with citizenship, bilateral economic relations and the like.

Arnold Ruutel told BF's [BALTFAX] correspondent that he made several suggestions to the Russian leader in connection with the border issue and citizenship. He said howewer that "it's too early to speak about these suggestions concretely".

Nevertheless, with reference to his concept of settling border disputes, A. Ruutel said "neither the borders fixed in 1945 nor the ones established in 1920 as a result of the Tartu peace treaty (between Russia and Estonia: BF) correspond to the actual economic frontiers".

With reference to economic relations between Estonia and Russia A. Ruutel said that both sides failed to honour their commitments in full. According to him, it's necessary to supplement their economic agreement and concretize it with a number of additional contracts.

According to A. Ruutel, he succeeded in talking B. Yeltsin into using bargain prices in bilateral settlements for the time being, "since neither side is in a position to shift to trade based on world-market prices yet". In bilateral settlements the clearing system will be used.

At their meeting the two men also discussed the withdrawal of Soviet troops from Estonia.

Arno Allmann, adviser to the presidium of Estonia's parliament, told BF that Boris Yeltsin appeared to understand problems faced by Estonia and refrained from using any leverage, such as economic pressure.

According to A. Ruutel, consultations with Russia will be continued in the near future.

Cypriot President Continues Working Visit

LD0211194191 Moscow TASS International Service in Russian 1935 GMT 30 Oct 91

[Text] Anapa, Krasnodar Kray, 30 Oct (TASS)— Cypriot President Yeoryios Vasiliou is continuing his working visit to our country. Late tonight he arrived in Anapa, a resort town on the Caucasian Black Sea. The program of the visit envisages meetings with the leadership of Krasnodar Kray, representatives of the Greek community, and local business circles. Besides Anapa the Cypriot president will also visit Novorossiysk, a major port on the Black Sea, at the outskirts of which there are settlements of Pontic Greeks.

The program of the trip around the country also includes a visit to Uzbekistan (Republic in Central Asia) where the president's father lived and worked for many years. During his stay in Moscow the Cyprus leader held talks with the USSR and RSFSR presidents.

German, Russian Justice Ministers on Honecker

LD0311045791 Moscow TASS in English 1348 GMT 2 Nov 91

[By TASS correspondent Nikolay Kalintsev]

[Text] Bonn November 2 TASS—German and Russian justice ministers made use of the press once again to set out their views on the problem of Erich Honecker's return to Germany. The former head of the German Democratic Republic was spirited from the grounds of the Soviet military hospital near Berlin to the USSR last March. Since that time, the German authorities have been pressing for Honecker's extradition to Germany to face trial.

In an interview with the BILD newspaper, Russian Justice Minister Nikolay Fyodorov advised the federal government to apply to the Russian rather than union authorities. The DPA news agency quotes him as saying that the real correlation of forces in the USSR should be taken into account.

"As soon as an official request for returning Honecker is received from the German Government, all political and legal aspects of this problem will be discussed immediately. He should be sent back to a country from which he was illegally brought here. Therefore, it is necessary that Honecker leave the territory of sovereign Russia. If he refuses to return voluntarily to Germany, we will approach the relevant legal organs to deport him—the Russian Interior Ministry and the KGB," Fyodorov said.

The interview with the Russian minister was transmitted by news agencies on Friday [1 November] and German Justice Minister Klaus Kinkel had an opportunity to study it thoroughly and give an answer. In an interview with SAARBRUECKER ZEITUNG today, he said the misunderstanding between the Union and Russian justice ministries stemmed from the general state of relations between the Union and Russia.

"Bonn applied to the USSR Government because it is exactly this government that bears the responsibility for the violation of international law in the Honecker case. We should act in accordance with international law standards and demand, primarily from the Soviet Union, his return. If the Russian justice minister helps us, it will be even better," Kinkel said.

Kinkel expressed hope that all misunderstanding and formalities will be smoothed over prior to Russian President Boris Yeltsin's visit to Germany in the latter half of November of this year. Before this time, he hopes to meet his Russian and Union colleagues at a conference of East European justice ministers, which is scheduled to be held in Bonn from November 18 to 19.

Moldova

Snegur Criticizes Russian Pressure on Treaty

AU0511092491 Paris AFP in English 0142 GMT 5 Nov 91

[Text] Chisinau [Kishinev], Soviet Moldova, Nov 5 (AFP)—Moldovan President Mircea Snegur on Monday [4 November] denounced Russian pressure for the southwestern republic to sign an economic community treaty.

"The economic treaty in itself has a political aspect and could become a political trap designed to restore the Soviet empire," Snegur said on television. He strongly criticized Russian demands that Russian oil and gas shipments be paid in dollars despite a clearing agreement signed by Chisinau and Moscow last August.

Moldova would rather sign accords with individual Soviet republics than join the economic treaty, Snegur said.

Eight republics—Armenia, Belarus [Belorussia], Kazakhstan, Kyrgyzstan, Russia, Tajikistan, Turkmenistan and Uzbekistan—have already signed the treaty. Ukraine—the most populous republic after Russia—will sign "within two days", according to Ukrainian Prime Minister Vitold Fokin.

The inter-republican treaty concluded on October 18 as the basis for the establishment of an economic community among the signatory republics comprises 26 accords.

Snegur warned that "Moldova does not have to pay the Soviet (foreign) debt" but he said no decision had been taken on the issue so far.

Snegur Recognizes Interrepublican Committee

OW0511141891 Moscow INTERFAX in English 1230 GMT 5 Nov 91

[Transmitted via KYODO]

[Text] "We only recognize the Inter-Republican Committee, not the State Council," declared the president of Moldova, Mircea Snegur on national television Monday [4 November] evening. In Mr. Snegur's words he is a strong supporter of developing bilateral ties with the former republics of the Union, but only in order to emerge from the present economic crisis. Snegur only supports an Economic Treaty. In his opinion, since the Economic Treaty for the republics was developed in Alma-Ata, the document has taken on a political character.

With regard to relations between Moldova and Russia, Mr. Snegur expressed hope that bilateral agreements between the two republics would be strictly observed. Mr. Snegur remarked that Moldova would not accept any responsibility for repaying Soviet foreign debt. "I cannot imagine how one could decide the Moldovan part of the debt," he has said.

While taking answers from those calling in to the TV station, Mr. Snegur said without giving concrete dates, that the republic will be introducing its own currency. In his words, a program is presently being developed which includes the introduction of multiple coupons (similar to those in the Ukraine).

Crop Shipments 'Paralyzed' by Fuel Shortage

PM0511103191 Moscow ROSSIYSKAYA GAZETA in Russian 1 Nov 91 First Edition p 5

[Unattributed report: "Dangerous Boomerang"]

[Text] Harvesting in Moldova has been made more difficult by fuel shortages. The delivery to consumers of fruit and vegetables and other agricultural output is paralyzed.

"The situation remains difficult in spite of the measures that have been taken," according to Georgiy Khadzhiu, deputy general director of the Moldovan State Fuel Production Association. "We have managed to conclude contracts with deliverers from Russia, the Ukraine, and Belorussia. However, this is insufficient."

Moldova's fuel shortages result from the disruption of long-standing, organized links within the country's economy.

Soviet Army Property To Be Nationalized

OW0211214391 Moscow INTERFAX in English 1730 GMT 2 Nov 91

[Transmitted via KYODO]

[Text] A meeting of the Moldova's High Security Council held in Kishinev under the chairmanship of President Mircea Snegur has formed a commission for conducting talks with leaders of other former Union republics on a system of collective security. It was found necessary to pass legislation nationalizing the property of the Soviet Army units deployed in the republic.

The High Security Council also considered speedy formation of national Armed Forces supplied with military equipment and hardware.

Bank President on Introduction of New Currency

LD0411225891 Moscow All-Union Radio Mayak Network in Russian 1730 GMT 4 Nov 91

[Text] The Government of the Republic of Moldova has effectively decided the matter of introducing its own national currency. This is reported in the VECHERNYY KISHINEV newspaper today, with reference to a statement by the National Bank president, Leonid Tolmach.

He presumes that this money will be put into circulation during the next 12-18 months. Under discussion at present is the issue of what to call Moldova's unit of currency: ducats or lei.

Opposes Superstate Control

AU0511134791 Bucharest ROMPRES in English 1300 GMT 5 Nov 91

[Text] Bucharest ROMPRES 5/11/1991—"Only after the central authorities of the Soviet Union have produced proof and argumented by internationally agreed instruments if and how the Soviet Union foreign debt has been directly used in the Republic of Moldova, could the republic accept talks on its sharing in the repayment of this debt," said Moldova's National Bank Governor Leonid Talmach in an interview for the newspaper "KOMERSANT MOLDOVY."

In the governor's opinion, the former republics must come into the possession of their actual property and be granted the right to avail themselves of their national wealth, so as to cover both external and internal debts. This implies that Soviet Union fairly metes out its internal and external gold reserves. The republics, he further said, should maintain normal inter-bank relationships.

Relative to the banking activities of the sovereign republics, Leonid Talmach pronounced himself for an international banking association set up by independent partners, as equal juristic persons, free from superstate control. The governor sees in this type of association a civilised form of assertion of the states' independence.

Gagauz Republic To Hold Presidential Elections

OW0411140391 Moscow INTERFAX in English 1140 GMT 4 Nov 91

[Transmitted via KYODO]

[Text] On Sunday [3 November], the Supreme Council of the Gagauz Republic, proclaimed in Moldova more than a year ago, adopted a resolution on holding presidential elections in the Gagauz Republic on December 1. Concurrently, a referendum on the republic's independence and on its joining the emerging union of sovereign republics will be held.

The session of the Supreme Council discussed and adopted in the first reading the draft constitution of the Gagauz Republic.

Citizens Refuse Military Decree

OW0411194491 Moscow INTERFAX in English 1718 GMT 4 Nov 91

[Transmitted via KYODO]

[Text] The Gagauzes refuse to comply with the Moldovan president's decree on the formation of the republican armed forces.

The Supreme Soviet of the Gagauz Republic passed a ruling that bans its citizens from serving in the republican Army of Moldova. According to the ruling, legally the Gagauzes can only serve with the Soviet military or, if necessary, with self-defense elements in the Gagauz Republic.

Popular Front Supporters Hold Kishinev Meeting

OW0411140591 Moscow INTERFAX in English 1140 GMT 4 Nov 91

[Transmitted via KYODO]

[Text] At a meeting in Kishinev, supporters of the Popular Front of Moldova [PFM] adopted a resolution backing the position of the PFM's Executive Committee which campaigns against the election of Moldova's president on December 8.

The meeting once again urged the government of the republic to re-unite Moldova and Romania. It also demanded that resolute measures be taken against the Dnestr and Gagauz Republics, whose population opposes Moldova's reunification with Romania.

Ukraine

Declaration on Minority Rights Detailed

PM0411152791 Moscow IZVESTIYA in Russian 4 Nov 91 Union Edition p 1

[Correspondent S. Tsikora report: "Guarantees for National Minorities"]

[Text] Kiev—The Declaration of the Rights of Nationalities of the Ukraine, adopted unanimously by the parliament, is designed to eliminate the nationalities issue in the republic.

It was pointed out during the discussion of this issue—an issue that is acute in many regions of the country—that citizens of more than 100 nationalities live in the republic, making up, along with Ukrainians, the Ukraine's 52-million-strong population.

The document adopted at the session says that the Ukrainian power guarantees all peoples, national groups, and citizens equal political, economic, social, and cultural rights. Representatives of peoples and national groups may be elected on an equal footing to organs of state power of all levels and may hold any post.

Having confirmed that the Ukrainian state guarantees all nationalities the right to keep their traditional settlements and safeguard the existence of national-administrative units, the declaration also confirmed the right of all peoples and national groups "to freely use their native language in all walks of life, including education, production, and the receipt and circulation of information."

The Ukrainian Supreme Soviet's interpretation of Article 3 of the "Law on Languages in the Ukrainian SSR [Soviet Socialist Republic]" is fundamental. The position espoused by the parliament and formalized in one of the points of the declaration now amounts to the fact that "alongside the Ukrainian state language the language of a defined nationality can operate on an equal footing with that state language in adminstrative-territorial units with a high concentration of that nationality."

The Russian language, used by 12 million people in the republic, merits a separate mention. The declaration says that the "Ukrainian power guarantees its citizens the right to freely use the Russian language. In areas with a high concentration of several national groups, the language acceptable to the entire population of the given area can operate on an equal footing with the Ukrainian state language."

Role of New Republic National Guard Described

LD0411182591 Moscow TASS International Service in Russian 1543 GMT 4 Nov 91

[By UKRINFORM correspondent Aleksandr Litvinov and TASS correspondent Mikhail Melnik]

[Text] Kiev, 4 Nov (TASS)—The Ukrainian National Guard is designed to defend the republic's sovereignty and territorial integrity, and also the life and personal dignity of citizens and their constitutional rights and freedoms from criminal encroachments and other antisocial actions. The Supreme Soviet of the Ukraine passed a law on its establishment today.

The guard also will take part in eliminating the consequences of accidents, catastrophes, and natural disasters and will protect Ukrainian Embassies in foreign countries. Guardsmen also have a duty to assist border troops in detaining those who violate the Ukraine's state borders. The National Guard is subordinate to the president of the republic and is under the control of the Supreme Soviet.

The deputies also adopted today laws on the state border of the Ukraine, on the border troops of the republic, along with the decisions which enforce these laws.

Marchuk on Plans for National Armed Forces

LD0511031291 Moscow TASS International Service in Russian 1811 GMT 4 Nov 91

[Text] Geneva, 4 Nov (TASS)—The Ukraine makes no claim to the strategic forces or the nuclear component of them located on its territory. They will continue to be under the control of a unified center, while the Ukraine will provide all conditions needed in order for them to function normally. This was emphasized at a press conference at the Geneva headquarters of the UN today by Yevgeniy Marchuk, Ukraine's minister of state for defense, national security and emergency situations. He is part of the republic's parliamentary delegation presently visiting Switzerland.

National Armed Forces are expected to be built in the Ukraine in three stages over a total period of five to six years, the minister noted. This includes the creation of the necessary basis in law and talks with the USSR Ministry of Defense to elaborate and sign the relevant agreements. Talks will also be needed with neighboring republics—Russia, Belarus [Belorussia], and Moldova.

Correspondents were interested in the fate of the Black Sea Fleet. Its strategic forces, like the whole complex belonging to them, will remain under the center's control, participants in the news conference were assured. Moreover, the Ukraine does not lay claim to the whole Black Sea Fleet, since it is not based only on its territory. But as a maritime power, the Ukraine should have its own naval forces for defensive purposes.

Replying to a TASS correspondent's question about the principles and the sources of finance for the program to build a national Armed Forces, Yevgeniy Marchuk said that since military reform is to proceed in stages, the principle of finance of the Armed Forces will also change in stages. The Ukraine will provide fully for its part of the financing and material-technical supply of strategic Armed Forces located on its territory, and will provide for call-up of the corresponding contingent of soldiers to make them up. The financing and material-technical supply of border, internal, and railway troops that are transferred to its jurisdiction will be implemented completely at the Ukraine's expense from 1992.

The Ukrainian MPs [members of parliament] emphasized repeatedly that issues of military reform and of building a national Armed Forces in the Ukraine are being worked out in close contact with Union bodies, and in no way contain any threat for neighboring countries.

Kravchuk Views Nuclear, Conversion Policies

PM0411150991 Moscow KRASNAYA ZVEZDA in Russian 26 Oct 91 First Edition p 2

[Colonel N. Mulyar report: "Leonid Kravchuk Meets Garrison Soldiers"]

[Text] Odessa—There has been a meeting between Ukrainian presidential candidate Leonid Kravchuk and servicemen from the Odessa Garrison at the District Officers' Club. After talking about the sociopolitical situation which has developed in the republic, he presented his election program, which incorporates five objectives: statehood, democracy, sufficiency, spirituality, and trust.

Kravchuk, chairman of the Ukrainian Supreme Soviet, devoted a large part of his speech to the Armed Forces. He reaffirmed that, while forming its own Army on the basis of reasonable sufficiency, the Ukraine does not aspire to a monopoly on the nuclear button. Strategic nuclear forces must come under a unified command, although, as a whole, the presidential candidate would like the Ukraine to have nuclear-free status in the future. But we understand that this is a long process, Kravchuk said. It must take the form of agreements and treaties with all states which have nuclear weapons in their territory.

Talking about conversion, the chairman of the Ukrainian Supreme Soviet stressed that this is a big problem for the republic, because it has a great many enterprises connected with the manufacture of missiles and nuclear equipment. Converting them to produce ovens and coffee grinders would mean "destroying" top-class plants. That could not be tolerated. However, we must know exactly what kind of equipment and how much needs to be produced now and in 10 years time.

Donbass Miners Cite Poor Work Conditions, Wages

PM0411162991 Moscow IZVESTIYA in Russian 4 Nov 91 Union Edition p 2

["Direct Line" report by Nikolay Lisovenko: "Donbass Mines on Verge of Stoppage"]

[Text] Donetsk—The Regional Union of Donbass Strike Committees has sent the following document to Ukrainian Supreme Soviet Chairman Leonid Kravchuk, Prime Minister Vitold Fokin, and the republic's Supreme Soviet Presidium:

"Owing to a lack of pit props the Donbass mines are on the verge of stoppage. Up to 30 percent of the coal faces are already standing idle. Miners' wages do not match the level envisaged by Ukrainian Cabinet of Ministers Resolution No. 85 of 12 April 1991 on phased wage raises. We get the impression that the republic's government is deliberately provoking a social explosion in mining regions to later stop coal extraction, close the mines, and doom thousands of miners to unemployment. Or else it cannot manage the sector.

"There is virtually no timber at any mine due to incorrect planning and the severing of economic ties. Industrial injuries are increasing. People are dying because they are operating with enforced breaches of safety procedures; coal extraction is declining and wages are correspondingly reduced.

"The Regional Union of Donbass Strike Committees informs the Ukrainian Supreme Soviet and Cabinet of Ministers that if retail prices of consumer goods and food rise, we demand a proportional increase in miners' wages. We propose that immediate steps be taken to provide mines with props and other materials."

Kravchuk Meets Officials of Major Enterprises

LD0411094191 Moscow All-Union Radio Mayak Network in Russian 0800 GMT 4 Nov 91

[Text] A meeting was held in Kiev between leaders of the republic's major enterprises and Supreme Soviet Chairman Kravchuk. The participants said that politicians do not take into account production interests or the demands for immediate resumption of economic ties with Russia. Kravchuk stated that the Ukrainian Supreme Soviet and the Council of Ministers are to do everything possible in order to ensure industry work in 1992.

According to PRAVDA, an economic agreement between the Ukraine and Russia is to be signed by the end of this week.

Presidential Candidate Lukyanenko Interviewed

PM0411161091 Moscow KOMSOMOLSKAYA PRAVDA in Russian 1 Nov 91 p 2

["Presidential Race" interview with Ukrainian presidential contender Levko Lukyanenko by O. Musafirova in Kiev; date not specified: "Soviet Power Must Be Reformed and Not Destroyed"]

[Text] Rukh [Ukrainian People's Movement] was divided as a result of his nomination as candidate for the post of Ukrainian president. Some people felt that someone else should be supported, a younger, more modern politician, whereas others, chief among them Ivan Drach, think that Lukyanenko is the very man to head independent Ukraine. Observers are inclined to think that Levko Lukyanenko—a political prisoner for 27 years, a Ukrainian people's deputy, and chairman of the Ukrainian Republic Party—has a fairly good chance of winning. However, his success will depend for the most part on how broad and active is the election campaign of this contender, who is less well known in the Ukraine than his distinguished rivals Vyacheslav Chornovil and Leonid Kravchuk.

[Musafirova] Levko Grigoryevich, you have devoted a great deal of effort to human rights, you have been imprisoned in camps for your support for the cause that people should not be condemned on the basis of their convictions. But the Ukrainian Supreme Soviet recently adopted an amendment to the Penal Code under which not just actions but also appeals to "reconsider" attitudes to the Ukraine's sovereignty and the integrity of its borders are punishable by imprisonment with confiscation of property....

[Lukyanenko] The article in the code does not aim to restrict freedom of expression. Obviously people have every right to express themselves as they wish on any issue. But in the present specific historical situation we can see the depressing examples of 1917-1920 repeating themselves. After the Fourth Edict of the Central Council [Rada] proclaimed the autonomous and independent Ukrainian People's Republic, the Bolshevik empire exerted great efforts to divide territorial integrity and the integrity of the Ukrainian nation, and then again enslave it and impose its will on it.

What is happening now? Chauvinist elements in Russia responded very nervously to our Declaration of State Sovereignty—and particularly to the Act on Independence.

[Musafirova] So, is it a realistic possibility that there will be political prisoners in the sovereign independent Ukraine?

[Lukyanenko] I do not think that things will go that far. Although....

[Musafirova] Levko Grigoryevich, there is no really serious opposition to the democrats either in parliament or in society, at least outwardly. The Ukrainian Communist Party has been banned and has gone underground, and the communist deputies faction "239" has announced its self-disbandment.... Is the situation not becoming one-sided again? Does a normal society need an opposition?

[Lukyanenko] When we speak of opposition, we have in mind a majority and a minority. I am in favor of the existence of an opposition and also of various political parties and forces being represented in the Supreme Soviet by various deputies' groups. But they are unstable and mobile. For instance, it was because of such mobility that we were able to adopt the Declaration on State Sovereignty and the Law on Economic Autonomy in the first place: Some of the communist deputies converted to these ideas and the opposition People's Rada turned into a majority. That is the logic of life: It is the majority that decides. But without political discussions, both the Supreme Soviet and society will become lifeless, and we will return to a one-party dictatorship.

[Musafirova] Levko Grigoryevich, were you a member of the CPSU?

[Lukyanenko] Yes. Between 1953 and 1961. When I joined, I believed that I was being given the opportunity to fight for an autonomous Ukraine under its auspices. I later understood that this was an erroneous path but I did not want to leave of my own accord because I knew that I would soon be expelled for anti-Soviet propaganda and agitation. That is what happened and I was arrested.

[Musafirova] Do you agree with the idea that "Moscow is to blame for all the Ukraine's misfortunes?"

[Lukyanenko] No, I do not. We are to blame for some of the misfortunes.

[Musafirova] Can you explain?

[Lukyanenko] I proceed on the basis of the idea that the world is not just based on the principles of humanism and Christian morality. We know of a period when force replaced the law, and this period is a relatively recent one—the 18th century. The Russian empire had the right to conquer, and that included the Ukraine, and the Ukraine's duty was to resist the occupation.

[Musafirova] Allow me to ask a tactless question. Is the president's age and state of health of significance to the Ukraine today?

[Lukyanenko] Undoubtedly! Regarding myself, I can say that I feel good, and I spend 16 hours a day on official business. Although of course everyone's fate is in the hands of the Lord and no one knows how much time he has left on earth....

[Musafirova] Are you religious?

[Lukyanenko] Yes. I am a member of the Ukrainian Autocephalous Orthodox Church.

[Musafirova] Does this mean that if you were president religion would be placed on the level of state policy in the Ukraine?

[Lukyanenko] No, this would not happen under any circumstances. I am opposed to the formation of any official ideology. The state, as a collective group of organs running society, should preserve neutrality regarding religion.

[Musafirova] The Soviet court, "the most humane in the world," once condemned you to death, and you awaited execution for 73 days in a condemned prisoners' cell, but this was commuted to hard labor. Are there any people whom you would like to execute today, regardless of the Christian stance toward your neighbor?

[Lukyanenko] Not personally, of course not. But in my opinion it is too early to abolish capital punishment. The world has been agitated by discussions on this subject, and certain Western countries have abolished capital punishment for their citizens. But after all, there are crimes that demand such an exceptional measure....

[Musafirova] Treason?

[Lukyanenko] A 32-year-old man in perfect health rapes his four-year-old daughter. She dies....

[Musafirova] In your opinion, what other strong measures, prohibitions, and restrictions could and should be implemented to ensure the Ukraine's future prosperity?

[Lukyanenko] The rights and freedoms of citizens must not and do not need to be curtailed during the transition from a totalitarian society to a democratic one. I would only prohibit pornography, instructions on how to make bombs or explosives, and the divulgence of military secrets. The question of the future nonnuclear Ukraine merits special attention—it proclaimed this in the Declaration on State Sovereignty. However, we have to at least weather the remaining phenomena of the imperial thinking of Russian politicians—the Ukraine as a powerful neighbor is making them uneasy. The nuclear potential, 20 percent of which is concentrated in the Ukraine, is, apart from anything else, still of great value, and it is the property of the sovereign state. And I would not be in a hurry to give it away. But later we will see what can be done with it.

[Musafirova] Levko Grigoryevich, your main rivals in the elections are Vyacheslav Chornovil, chairman of Lvov Oblast Soviet; and Leonid Kravchuk, chairman of the Ukrainian Supreme Soviet. Where do your views diverge?

[Lukyanenko] First Chornovil. First of all, he supports the idea of a federal system in the Ukraine, while I am categorically opposed to this. Different parts of Ukrainian land were at different times occupied by neighboring states, and this has left its mark until today. The eastern provinces were under the authority of the Russian tsars, Galicia was under Poland, Transcarpathia under the Hungarians, and Bukovina under Romania. This went on for several centuries. A single people looked in different directions for the truth—some looked to St. Petersburg and Moscow, some to Warsaw, some to Budapest, and others to Bucharest. I would like the people of this single state to train themselves to look to one place—to Kiev. After centuries of colonial disunity, we simply need a period of national consolidation.

And then Chornovil believes that Soviet power will be destroyed. Whereas I am in favor of its reform. Soviets or councils are not alien to the Ukrainian mentality, so why destroy everything?

Kravchuk is also in favor of autonomy today. But he will try and preserve the nomenklatura, which is what he relies on and where he draws his strength. Whereas I would first and foremost try and destroy the nomenklatura system and replace it with a new category of leadership—primarily in the economy. And economic reform —which Leonid Makarovich keeps saying is necessary—would be put into practice within a month.

The other differences are immaterial....

[Musafirova] Do you have any weaknesses you find difficult to give up?

[Lukyanenko] Oh... to be honest, I have never thought about it. I prefer dairy products to meat....

[Musafirova] Is it true that you could have given this interview in fluent Polish or English?

[Lukyanenko] Let us not exaggerate. I have read many books in Polish but my spoken language is not as good. I can speak English well enough to get by. But I spoke at rallies in 1989, when I went abroad for the first time. And I was able to teach myself certain things in prison and in camp—there were dictionaries and textbooks published in the USSR, and it was not hard to copy things out. That is what I mainly spent my earnings on.

[Musafirova] Which category of the population do you feel supported by, which category understands your ideas most fully?

[Lukyanenko] Well, first of all, these are the ideas of the Ukrainian Republic Party (which now has reasonable authority). I would like to reflect the interests and feelings of various strata of society—the workers, the white collar workers, the intelligentsia, the peasants, and it seems to me that I am not far from doing so. Admittedly there is one category that hates me—the nomenklatura. Because I say straight out that I will destroy it. By democratic means, of course.

Officers Union Holds Second Congress in Kiev

Delegates Approve Charter

OW0511024991 Moscow INTERFAX in English 2010 GMT 4 Nov 91

[Transmitted via KYODO]

[Text] The Ukrainian Officer Union held its second congress in Kiev.

More than 800 delegates representing most Army units stationed in the republic and the Black Sea Navy approved of the organisation's charter and programme. These documents say that the Officer Union has as one of its objectives to help set up Ukrainian Armed Forces. An appeal to the Ukrainian Supreme Soviet claims that the units stationed in the Ukraine must take a vow of allegiance to the Ukrainian state before the end of 1991.

The document suggests that the servicemen who are unwilling to take out Ukrainian citizenship should be transferred to other countries in 1992. The lower ranks who are not Ukrainian citizens should be transferred to the other ex-Soviet republics before the end of 1991.

It is also suggested to end budgetary allocations to the Union budget and to maintain a republican Army at the republic's expense. Beginning in 1993, the Army must go professional.

Under the project, only Ukrainian citizens will serve in the Ukrainian military. The Armed Forces will be accountable to the Ukrainian defense minister.

"Only 30% of the Ukrainian officer corps regard the Ukraine as their home country," said Colonel Mikhalchuk, a delegate to the congress, to IF [INTERFAX]. "Half of the remaining 70% do not support an independent Ukraine, and the others decided to just wait and see."

New Officers' Association Noted

PM0511101891 Moscow ROSSIYSKAYA GAZETA in Russian 2 Nov 91 First Edition p 2

[TASS report: "Officers Set Up Association"]

[Text] The constituent conference of the Independent Association of the Officers Union has been held in Vinnitsa, with the participation of delegates from military garrisons in the Ukraine. They proposed that officers, warrant officers, and ensigns set up an association designed to defend their interests based on the reality of the existence of unified USSR Armed Forces and the threat of political and economic crisis.

The conference participants kept quiet about the act of Ukrainian independence and the concept of setting up the republic's own armed forces and a republic guard.

Observers from the Ukrainian Officers Union regarded the association as an alternative to the union. A. Nizhnik, chairman of the union's Vinnitsa Oblast organization, reckons that the creation of the association may cause a split in the Ukrainian officer corps.

Armenia

Ter-Petrosyan Interviewed on Turkish TV

TA0511085991 Ankara TRT Television Network in Turkish 1912 GMT 4 Nov 91

[Interview with Armenian President Levon Ter-Petrosyan by Mehmet Ali Birand on the "32d Day" program in Yerevan; date not given—recorded; Ter-Petrosyan's answers are in Armenian with superimposed Turkish translation]

[Text] [Birand] Does your desire to establish cooperation between Turkey and the Armenian Republic and to break down the old taboos derive from expediency or do your people really want this?

[Ter-Petrosyan] It derives from the people's conscious approach to the issue and from the realistic interests of our republic, which is moving toward independence. Until today, our people were fed sentimentality; they were fed emotions. We have distanced ourselves from sentimentality. We do not have the right to foster emotionalism. On the contrary, we must pursue realistic and pragmatic policies.

[Birand] In other words, a new page is being turned. Are we all going to forget the past?

[Ter-Petrosyan] Communities do not forget easily; however, the approach between the states will be different. Our relations will develop within this framework. Certain ideas and feelings cannot change overnight. Certain political forces will continue to try to spread these old ideas. You have such people, just as we do. I know that there are differences of opinion between the state and certain segments of the public.

[Birand] Certain circles in Turkey think that even if we cooperate at the table, we will continue to kick each other under the table.

[Ter-Petrosyan] If we are talking about classical politics, that is possible. The sides engage in political games, and everyone is after his own rights. There is no need, however, for us to kick each other under the table. We must be able to tell each other everything frankly.

[Birand] What is Turkey's importance for the Armenian Republic? Why do you want to start cooperation with Turkey?

[Ter-Petrosyan] The realities in the world show that no country can remain standing solely on the basis of its own military and economic power. The main guarantee for the existence of any state is the relations it establishes with its neighbors. That is our philosophy. That is why we want to leave aside our conflicts with our neighbors. We are not looking for points of disagreement but rather points of common interests. We believe in the inevitability of good relations with Turkey, Iran, the Georgian Republic, and Azerbaijan. We are aware of the political difficulties. Despite that, however, we must take concrete steps. They must be small but realistic steps in the fields of economy and tourism. Only in this way can taboos be defeated.

[Birand] Mr. President, you can imagine that there are many people in Turkey, like in Armenia, who view these relations very skeptically, very suspiciously. These people mainly ask about Armenian territorial demands, about past Armenian decisions on territorial demands. What about those? Will they remain valid?

[Ter-Petrosyan] If you look at the issue from this angle, you can find people and even parties that think that way in Armenia. You cannot, however, find any such official state document. We must leave the past behind and turn a new page. Naturally, certain circles may refuse to forget the past. We must leave aside political problems, however, and we must refrain from putting conditions to each other. On the contrary, we must encourage relations and take economically realistic steps which will pave the way to eliminating the conflicts between us. If we start from the end and insist on solving the political problems first, we will not be able to get anywhere.

[Birand] The Armenians who live outside Armenia—the diaspora or at least parts of it—do not think like you. Will you be able to persuade them?

[Ter-Petrosyan] This is a difficult question. Armenia does not have total influence over the diaspora. Those people live in other countries. We do not have the means to officially influence them. On the other hand, the diaspora is now accepting that Armenian policies are determined by the Armenian people themselves. In other words, the diaspora can express its views and can even oppose the policies pursued by Armenia; however, it cannot impose its policies on Armenia.

[Birand] Why do the Armenians living in Karabakh refuse to lay down their arms despite the recent agreement?

[Ter-Petrosyan] It is true that they do not want to lay down their arms, and they are right. I would not advise them to surrender their arms, because they are in a defensive position. They are armed villagers who are defending their homes and their families. If they lay down their arms, there will be threats and massacres. They were able to remain in their land only because they defended themselves. They will not lay down their arms unless the people's security is guaranteed. Even if we advise them to lay down their arms, they will not.

[Birand] What would you say to Turkey's mediation in this issue?

[Ter-Petrosyan] Certain experiments are under way. When one fails, another party assumes the duty of mediator. Gorbachev failed; now Yeltsin and Nazarbayev are trying. If that fails, we will look for a third mediator. It can be Turkey or the Georgian or the Ukrainian Republic. I believe that the time has come for this issue to stop being a domestic Soviet affair and become an international issue.

'Turbulent' Supreme Soviet Session Noted

LD0411233591 Moscow All-Union Radio First Program Radio-1 Network in Russian 1700 GMT 4 Nov 91

[Report from Armenia by Karen Khumaryan]

[Text] The latest three-day plenary session of the Supreme Soviet of the Republic of Armenia began today, and it started in quite a turbulent fashion. This is understandable; the Armenian parliamentary deputies were discussing the law regulating the work and status of the Supreme Soviet of Armenia. Two substantially differing drafts were put forward for discussion. The first was drawn up by the relevant Supreme Soviet commission, the alternative by a group of representatives of the parliamentary opposition.

Summing up the results of today's discussion, President Levon Ter-Petrosyan said that during discussion of the draft law, it had often been mentioned that our republic is allegedly in need of strong presidential power. I think, he said, that we need both strong presidential power, and strong legislative and strong judicial power as well. Only precise demarcation of these powers and structures can insure the true democracy to which Armenia aspires.

Especially stormy discussion was engendered by the provision of the draft submitted by the Supreme Soviet commission which considers it to be the unconditional prerogative of the president to draw up and implement the Republic of Armenia's foreign policy. This is also quite understandable, because having acquired full independence following the 21 September referendum, Armenia is pursuing an active foreign policy line.

Officials Debate Fuel Problem, 'Energy Crisis'

NC0411164891 Yerevan Radio Yerevan International Service in Armenian 1730 GMT 3 Nov 91

[From the Republican Press Review]

[Text] The papers report that the Armenian Supreme Soviet's Standing Commission on Economic Independence and Economic Development held a meeting on 1 November under its Deputy Chairman Ruben Torosyan.

The commission examined extraordinary measures and winter preparations in view of the critical fuel-energy field. The government submitted a report on this issue.

The chairman of the Energy Commission delivered a report on the work carried out to date on the storage of fuel stocks, noting that the gas supply situation has deteriorated in the last two days due to the damage caused to the pipeline entering Armenia through Azerbaijan.

He also noted that, taking into consideration the possibility of (?transportation) problems during the winter, the government has allocated an additional 600 tons of diesel fuel to the various regions to sell to the population.

Vardan Amirbekyan, deputy premier of the Armenian Republic, discussed ways to overcome the energy crisis, noting that the time has come to seriously consider opening the nuclear power station. People's Deputies Akob Sanasaryan and others expressed their opposition to the idea.

The commission adopted a decision in which it said that the government's measures were inadequate in the current critical situation. It instructed the Council of Ministers to submit its final report on the issues raised at the commission to the Supreme Soviet by 7 November.

Azerbaijan

Republic Refuses To Pay USSR Foreign Debt

LD0311063491 Moscow Central Television First Program Network in Russian 1900 GMT 2 Nov 91

[From the "TV Inform" newscast]

[Text] Azerbaijan: According to agency reports, the Cabinet of Ministers has refused to pay part of the foreign debt of the former USSR, as it considers that throughout the 74 years of Soviet power the republic had a permanent favorable balance in its accounts with the Union, and it could and should be a question of the center repaying debts to Azerbaijan.

NKAO Observers, Commandant Hold Meeting

LD0511022491 Moscow All-Union Radio Mayak Network in Russian 1900 GMT 4 Nov 91

[Text] A report from Stepanakert: The last 24 hours in Nagorno-Karabakh [NKAO] have passed without crime. The commandant, Major-General Nikolay Zhinkin, and observers from Russia and Kazakhstan in continuing their work, held a meeting with the authorities of the NKAO and Stepanakert today.

Tomorrow, the observers and the commandant will depart for the town of Agdam, in the Republic of Azerbaijan, where issues of the normalization of the sociopolitical and economic situation in the region will be discussed at a meeting with heads of Azerbaijani ministry and government departments in attendance.

Ammunition Trucks Seized in Azerbaijan

LD0411172291 Moscow All-Union Radio First Program Radio-1 Network in Russian 1300 GMT 4 Nov 91

[Text] Details have emerged about the seizure by Azerbaijan Interior Ministry bodies of a column of five Zil trucks carrying ammunition near Baku on Saturday. The ammunition was intended for one of the units subordinate to the Internal Troops Directorate for the Northern Caucasus and Transcaucasia. The column's journey was known beforehand. The road to a military aerodrome was blocked. The servicemen were required to surrender their vehicles after a warning about the possible use of arms. In accordance with an understanding with the republic's president, the confiscated ammunition has been deposited at Azerbaijan Interior Ministry dumps. Talks are now under way to have it returned to where it belongs.

Georgia

Further Reportage on South Ossetia Problems

'Alarming Situation' Continues

LD0411134491 Moscow TASS International Service in Russian 1235 GMT 4 Nov 91

[By TASS correspondent Valeriy Shanayev]

[Text] Vladikavkaz, 4 Nov (TASS)—An alarming situation is continuing in South Ossetia, where the outskirts of the oblast center Tskhinvali, the rayon center Znauri, and the nearby villages were again subjected to intensive bombardment last night. Checkpoints manned by USSR Ministry of Internal Affairs troops and a helicopter regiment installation were also fired upon.

According to preliminary information, eight people were badly injured and dwellings and some municipal facilities were seriously damaged as a result of the bombardment of the town by large-caliber machine guns, grenade launchers, anti-multiple rocket launcher systems, and long-range missiles. Self-defense detachments returned fire.

According to the press center of the South Ossetia information committee, all the mountain roads being used for the delivery of humanitarian aid from Vladikavkaz to Tskhinvali are completely blocked. In some sectors of the Dzhava-Tskhinvali road traffic has been halted.

The oblast center is catastrophically short of food. Reserve flour stocks have run out at the local bakery. All operations have been postponed at the oblast hospital because of an acute shortage of medicines and surgical equipment; the seriously injured and sick are being transferred to Vladikavkaz.

Hostages are still being taken in remote villages in Tskhinvali and Znauri Rayons. Over 20 people of Ossetian nationality have been kidnapped in the past week.

The flow of refugees out of the oblast and into North Ossetia increases daily. According to unofficial information there are around 90,000 such refugees already.

Public Commission Appeals For Help

OW0511015291 Moscow INTERFAX in English 2010 GMT 4 Nov 91

[Transmitted via KYODO]

[Text] A public commission for international collaboration on humanitarian issues and human rights of the Soviet Committee for European Security and Cooperation urged the highest Union authorities, including the president, and the Russian parliament to take efficient measures to protect human rights in South Ossetia.

On Monday, the commission disseminated a statement saying that "children, old people, women are dying in South Ossetia, and dozens of villages have been burned. Head of the South Ossetian administration Tores Kulumbekov has been arrested and is now in custody. More than 80,000 South Ossets have already flooded into the North-Ossetian Republic.

"These facts increasingly add up to one thing: genocide," says the statement.

The commission called on the Georgian authorities to take steps to stop the war to destroy a small mountain nation.

The commission of lawyers, journalists, and trade union and other leaders regards it as necessary to send an international fact-finding mission to the region

Opposition Criticizes Gamsakhurdia

OW0411160691 Moscow INTERFAX in English 1443 GMT 4 Nov 91

[Transmitted via KYODO]

[Text] Dr. Valerian Advadze, a People's Deputy of the USSR, told IF [INTERFAX] on Monday [4 November] that Zviad Gamsakhurdia "is unable to solve the problem of South Ossetia."

Commenting on the South Ossetia Resolution adopted by the Congress of RSFSR [Russian Soviet Federated Socialist Republic] People's Deputies last Friday [1 November], Dr. Advadze said that "only under moral pressure from the world public, including from the people in ex-Soviet republics," could the Georgian president make concessions and try to find a common language with both the Ossetians and the Georgian opposition. "Otherwise, Georgia will never become a civilized nation to be admitted to the civilized international community," Advadze observed.

The Georgian opposition leader said he had come to Moscow together with his son several months ago fearing repressions from the Georgian authorities.

Gamsakhurdia Urges Recognition of Independence

LD0311081791 Moscow Russian Television Network in Russian 1800 GMT 2 Nov 91

[From the "Vesti" newscast]

[Text] TASS has reported that people of Georgian nationality were taken hostages in South Ossetia last night. Speaking at the republican Supreme Soviet session, Zviad Gamsakhurdia said that the region's conflict will end only after Russia, the USSR, and all former republics of the Union recognize Georgia's independence.

Wife of Imprisoned Official Leads Tbilisi Rally

Calls Arrests 'Groundless'

LD0511030191 Moscow All-Union Radio First Program Radio-1 Network in Russian 1700 GMT 4 Nov 91

[Text] A rally of the National Democratic Party of Georgia started on Shato Rustaveli Square in Tbilisi at 1700 [1500 GMT] today. (Zurab Dvali) from the IPRINDA independent agency reports:

[(Dvali)] The opposition is holding similar meetings every Monday. About 3,000 people attended it. The small number of those attending the rally is a graphic testimony to the fact that the wave of rallies, demonstrations, and processions is declining tangibly in Georgia.

The action was opened by Irina Sagishvili, press secretary of the National Democratic Party and wife of Georgiy Chanturiya, the arrested leader. Once again on behalf of members of her party, she addressed the government with a protest regarding the arrests—which they think were groundless—of Georgiy Chanturiya and cameraman (Georgiy Khandrava), who, as is known, have been granted the official status of political prisoners by the Amnesty International Organization.

At this meeting, the decision of the Supreme Soviet of the Republic of Georgia on suspending the law on the political associations of citizens was met with an extremely negative response. According to official reports, this decision was adopted by the Supreme Soviet on the initiative of the republic's Procuracy, which is engaged in investigating criminal cases involving some members of political parties and organizations. It was said at the meeting that members of the National Democratic Party of Georgia regard this government's move as antidemocratic and as another attack against them.

I think these were the main issues dealt with at today's action of the opposition. Social Democrats decided to hold their next meeting on Wednesday.

Claims Authorities Doing 'Nothing'

OW0511030191 Moscow INTERFAX in English 2010 GMT 4 Nov 91

[Transmitted via KYODO]

[Text] Irina Sagishvili, wife of chairman of the Popular Democratic Party of Georgia Georgiy Chanturyia who is currently in custody (Chanturyia is filling in as chairperson of the party) declared that opposition is growing to official authorities in some of Georgia's regions.

Addressing a November 4 rally of the party's supporters in Tbilisi, she said that the standoff has reached a critical level in Dmanisi District, and clashes between the supporters and opponents of the Georgian authorities may start any moment. She believes that the authorities are doing nothing to prevent a bloodshed. Sagishvili criticized the session of the Georgian Supreme Soviet that closed on Friday. According to her, the deputies did not make clear their stand on the main issue, the situation in South Ossetia, which may lead Georgia to a catastrophe.

Sagishvili told the audience about her meeting vith Shevardnadze a week ago in Moscow. According to her, Shevardnadze "expressed willingness to help Georgia."

Ethnic Groups Move To Form New Republic

OW0411193391 Moscow INTERFAX in English 1718 GMT 4 Nov 91

[Transmitted via KYODO]

[Text] Delegates of the Sukhumi (capital of Abkhazia, which is part of Georgia) congress of Caucasians living high in the mountains announced on Saturday their intention to form an independent North Caucasian republic.

Authorized delegates of the Abazes, Abkhazians, Adygeis, Avars, Chechens, Chechen-Akkins, Circassians, Dargins, Kabardians, Laks, Ossetians, and Shapsugs signed a treaty founding a North Caucasian confederation with Yuriy Shanibov, a Kabardian, at its head. The Committee of Caucasian Communities will be led by the Abkhazian Konstantin Ozan, the Caucasian parliament by the Chechen Yusup Saslambekov, and the Arbitration Tribunal by the Abkhazian Zurab Achba.

Mr. Shanibov told journalists that a total of 16 ethnic groups numbering 4 million people would enter the new republic with a view to pooling their efforts to sustain pressure from the Transcaucasian and other ex-Soviet republics. He said the united republic, which would have Sukhumi as its capital, would be part of the Russian Federation.

Europarliament Human Rights Official Visits

OW0411160891 Moscow INTERFAX in English 1443 GMT 4 Nov 91

[Transmitted via KYODO]

[Text] One of the heads of the Europarliament's Human Rights Commission, Stefan Treckler-Kinsberger, now on a visit in Tbilisi, met last Saturday [2 November] with leaders of Georgia's opposition parties and movements. He said he would spell out the views of prominent opposition activists in Georgia to the leaders of the Europarliament.

After his Friday's [1 November] meeting with the Georgian president, Mr. Treckler-Kinsberger said Mr. Gamsakhurdia's assessment of the situation in the republic was notably different from what the opposition thought about it.

Mikhail Nanishvili, leader of Georgia's National Liberal Democratic Party, who had attended that meeting, said Mr. Gamsakhurdia had categorically refused to initial his own pronouncements about the opposition which the guest intended to report to the Europarliament.

Kazakhstan

Nazarbayev Regrets Emigration of Germans

AU0411191991 Hamburg DIE WELT in German 4 Nov 91 p 12

["GTM" report: "Kazakhstan Wants To Keep Germans"]

[Text] London—Kazakhstan's President Nursultan Nazarbayev regrets the emigration of more than 70,000 Germans so far. "We would like to keep the Germans, but, of course, they have the right to leave our country," the president told DIE WELT in London.

According to him, about half of the approximately 2 million Germans in the Soviet Union live in Kazakhstan. Nazarbayev stressed that there "they often have a higher standard of living than the Kazakhs." Foreign Minister Genscher was able to see that during his visit. In addition to German-language newspapers and radio stations, there are also 270 German schools in the republic.

The president did not want to comment on the efforts to reestablish the autonomous German Volga republic, but he made it clear that he would welcome it if the Germans stayed in Kazakhstan. In this connection, he recommended investments by German companies in the republic. They "could contribute to making the Germans stay."

Plans To Introduce National Currency Cited

PM0411130491 Moscow IZVESTIYA in Russian 31 Oct 91 Union Edition p 2

[Vladimir Ardayev report: "Tanga? Som? Altyn?"]

[Text] Alma-Ata—The Kazakh Soviet Socialist Republic [SSR] parliament and government are drawing up a program to introduce a national currency.

It is planned that the national currency (the tanga, som, or altyn—it has not been decided yet) will operate in parallel with the ruble in Kazakhstan. It will be possible to exchange Kazakh money for rubles in any part of the USSR. It is planned to make the national currency freely convertible both within the republic and the country, and abroad. To this end it will be backed not only by the Kazakh SSR gold reserves but also by the necessary supplies of goods—consequently, the issuance of the currency will be strictly regulated. The architects of the plan believe that the republic currency's real potential should correspond to or even slightly exceed the current official ruble rate (63 kopeks to the U.S. dollar). It is planned that this is the rate at which it will take its place among the other freely convertible currencies.

Since it will not be possible to introduce the new currency earlier than scheduled, during a transitional period from 1 January 1992 it is planned to provide social protection for the population in the shape of checks or coupons.

Kyrgyzstan

Akayev Views U.S. Visit, Economic Problems

LD0411185991 Moscow Central Television Vostok Program and Orbita Networks in Russian 1630 GMT 4 Nov 91

[Video report from Bishkek by correspondent V. Fedorov, including recorded remarks by Kyrgyzstan President Askar Akayev at 4 November news conference—from the "TV Inform" newscast]

[Text] [Announcer] We have already reported on a visit to the United States by the state delegation of the Republic of Kyrgyzstan led by Askar Akayev, president of the republic.

[Fedorov] A news conference which took place in Bishkek was devoted to the results of the visit. The main event was the reception of the delegation by President Bush. Quoting the well-known speech by Roosevelt about four freedoms, the president of Kyrgyzstan told his collocutors that the situation regarding freedom of speech, freedom to profess a religion, and freedom from fear has improved in the republic. The situation with regard to the fourth freedom—freedom from need—is not as good.

Businessmen have promised to invest their money, but only in specific programs and under the investor's supervision. An accord has been reached on setting up direct business links between the state of Idaho and the Osh Oblast. But U.S. assistance does not mean that we should stop making our own efforts. That is why the theme of our own economic area at times pushed our impressions of America into the background.

[Akayev] Presently, when one reads the central and republican newspapers, one gets the impression that those who raise the question of the national currency have taken a separatist position. I absolutely disagree with this point of view . If Russia is to carry out the money reform, print the ruble with a stripe, for example, as is being proposed at present, and if it is a hard currency, we will join Russia with pleasure and use their currency. As for the second question on the liberalization of prices, which you have asked, I think that this is the only point in the report by Boris Nikolayevich Yeltsin on which I have serious doubts. There are no goods available. If there were goods, one could have confidently implemented any liberalization of prices. In this case it would have been possible to believe that this would facilitate the improvement of our economy. Without goods, in my opinion, all those illnesses we currently suffer—speculation and other problems—will be even more pronounced.

President Bush Agrees To Visit Republic

LD0411195491 Moscow Russian Television Network in Russian 1800 GMT 4 Nov 91

[“TV Inform” report]

[Text] U.S. President George Bush has accepted an offer to visit Kyrgyzstan. This was reported by Kyrgyzstan President Askar Akayev, who has returned from a visit to the United States.

National Revival Party Holds Bishkek Conference

OW0211164991 Moscow INTERFAX in English 1423 GMT 2 Nov 91

[Transmitted via KYODO]

[Text] The Kyrgyz National Revival Party ASABA is holding a constituent conference (KURULTAY) in Bishkek. The conference is debating the party programme and rules. The Party numbering about 600 members has split from the democratic movement KYRGYZSTAN this year. It sets itself the goal of winning seats in the republic's parliament, its leaders aim at protecting the interests of the Kyrgyz people without infringing on the rights of ethnic minorities.

The backbone of the party—some 70 percent—are young workers, students and intellectuals. The membership is fixed with party cards and dues. The candidate for chairmanship is the 40 year-old historian Asan Urmushev.

Joint Agricultural Ties Established With Idaho

OW0411032791 Moscow INTERFAX in English 2014 GMT 3 Nov 91

[From “Business Report;” transmitted via KYODO]

[Text] Kyrgyzia will resort to assistance from Idaho to develop agriculture and the food-processing industry, as well as better food storage and distribution. Idaho's government promised assistance to Kyrgyzia during recent conversations with Mr. Askar Akayev, president of the small republic that is one of the USSR's largest producers of tobacco and wool.

After a trip to the USA which included a meeting with President Bush, Mr. Akayev held a press conference where he reported that American businesses had expressed an interest in the joint exploitation of Kyrgyzia's mineral and raw material resources. They also assured him of their readiness to offer loans to support concrete programs.

Bread Supply Situation Called ‘Catastrophic’

LD0311163191 Moscow Radio Rossii Network in Russian 1200 GMT 3 Nov 91

[Text] Kyrgyzstan's Vice President Kuznetsov recently circulated a telegram to all leaders of oblast soviets. The telegram says that at present the grain products' combines in the republic are on the verge of closing. The situation regarding the provision of the people with bread is catastrophic. For several months the republic's leaders have been trying to persuade farm managers to fulfill their obligations, and drawing up all possible measures to stimulate the delivery of breadgrain to the state. But, for the time being, in the regions they are keeping silent and are not selling breadgrain to the state.